

REVENUE AND APPROPRIATION ACTS 1828a. The Title of the Licence Duty Act, 9 Geo. IV, Cap. 17

An Act to continue and amend the several Acts of the General Assembly, for raising a Revenue to repair the Roads throughout the Province, by paying a Duty on Persons hereafter to be licensed to keep Public Houses and Shops for the Retail of Spirituous Liquors.

The Title of the Liquor, Molasses, Coffee and Brown Sugar Duty Act, 9 Geo. IV, Cap. 18

An Act to alter and continue the Acts now in force to provide for the support of His Majesty's Government in this Province, and for promoting its Agriculture, Commerce and Fisheries, by granting Duties of Impost on Wine, Brandy, Gin, Rum and other Distilled spirituous Liquors, Molasses, Coffee and Brown Sugar.

The Title of the Cranberry Island Light House Duty Act, 9 Geo. IV, Cap. 22

An Act to continue the several Acts relating to the Light-House  
erected on Cranberry Island, near the entrance of the Gut of Canso.

791d

The Title of the Liverpool Light House Duty Act, 9 Geo. IV, Cap. 24

An Act to continue the several Acts respecting the Liverpool  
Light-House.

The Title of the Foreign Imports Duty Act, 9 Geo. IV, Cap. 29

An Act to continue and amend an Act for the further increase of the Revenue by imposing a Duty upon Articles imported from Foreign Countries.

791f

The Title of the Act for More Effective Payment of Provincial Duties, 9 Geo. IV, Cap. 31

791g

The Title of the General Excise Duty Act, 9 Geo. IV, Cap. 35

The Title of the Appropriations Act, 9 Geo. IV, Cap. 1

An Act for applying certain Monies, therein mentioned, for the service of the Year of Our Lord One Thousand Eight Hundred and Twenty-eight; and for appropriating such part of the Supplies, granted in this Session of the General Assembly, as are not already appropriated by the Laws or Acts of the Province.



An Act to continue the Acts for granting a Drawback on the Duties on Brown or Raw Sugar, used in the Manufacture of Refined Sugar with the Province, and for regulating the mode of obtaining the same.

HOUSE RESOLVES TO PAY OFF THE PROVINCIAL DEBT AS SOON AS POSSIBLE

Journals of Nova Scotia,  
1827 to 1830.  
Pp. 212-213.

~~attempt to secure issue of currency by means of notes, paper currency  
issued by the Legislature, Paper Currency  
issued by the Legislature, Paper Currency~~

Friday, 15th February, 1828.

P.212 Mr. Young moved that the House do come to the following Resolu-  
tions, viz:

1828  
15 Feb

Resolved, That this House feel much satisfaction that a reduction  
of the Funded Debt has been accomplished out of the prosperous con-  
dition of the Revenue of last year.

(1828)

Resolved, That this House deeming it inexpedient to continue longer  
the Funded Debt, anxious to carry this desirable object further into  
effect, most respectfully request of His Excellency, that the Commis-  
sioners appointed to issue Treasury Notes to an extent not exceeding  
£.40,000 by the 7th Geo. 4 Chap. 14, be directed by Warrant to deli-  
ver to the Treasurer, Twenty and Ten Shilling Notes, duly prepared  
and signed, in such Sums, as to make the whole Paper in circulation

P.213

equal to the amount specified in the above Law, and at such times  
as that the Gold and Silver now in the Chest, or which may hereaf-  
ter come into it, be applied for the further extinction of that  
Debt.

And

P. 213 And the first Resolution being seconded and put, was agreed to by the House.

The second Resolution was then seconded, whereupon Mr. Haliburton moved an amendment thereto as follows, viz:- Leave out the whole of the words of said Resolution after the word "Resolved," and in place of the words so left out, substitute the following:  
- That a Committee be appointed to revise the Laws relative to the Paper Currency and Funded Debt of the Province, and that the Committee report such amendments as may be necessary to pay off the Funded Debt as fast as the means of the Province will allow: which, being seconded and put, passed in the affirmative.

Ordered, That Mr. Haliburton, Mr. Young, Mr. Lawson, Mr. Stewart, and Mr. George Smith, be a Committee to carry into effect the objects of such amended Resolution.

Then the House adjourned until To-morrow, at twelve of the clock.

---

~~No account of the debate following preceding resolution has been copied: should be in papers (but is not in Nova-Scotian.~~

BRITISH GOVERNMENT ORDERS THAT IMPERIAL DUTIES ARE TO BE PAID ONLY IN SPANISH DOLLARS OR BRITISH COIN

a. Copy of the Order Presented to the House

Journals of Nova Scotia,  
1827 to 1830,  
Pp. 265-266

*Legal Tender for part of Customs  
Letter from Customs Authorities*

Thursday, 6th March, 1828.

*1828  
6 March*

P. 265 .....

*to His Excellency, accompanied by a Copy of Instructions  
from the Honorable the Commissioners of His Majesty's  
Customs to the Principal Officers of His Majesty's  
Customs at Halifax,*

Mr. Speaker presented to the House, a Letter received by him from Mr. Secretary George, dated this day, enclosing by command of His Excellency the Lieutenant-Governor, for the information of the House, a Letter from the Principal Officers of His Majesty's Customs at Halifax, relative to the mode of payment of Duties, as required by the Resolution of this House, passed on Tuesday last; and the said Copy of Instructions being read by the Clerk, is as follows:

(COPY)

No.52.

CUSTOM-HOUSE, LONDON, 20th December, 1827.

Gentlemen,

It appearing that the Collectors of this Revenue, in the several Colonies, have been in the practice of receiving Dollars, in payment of Duties, at the rate of 5s. 6d. per ounce, under an im-

~~pression,~~

~~P. 228~~ impression, that they were authorized to do so by the provisions of the 12th Section of the Act, 6 Geo. 4, Cap. 114, by which it is enacted, "That all Sums of Money granted by the said Act, as Duties, in the British Possessions in America, shall be deemed to be Sterling Money of Great Britain; and that such Monies may be received according to the proportion and value of 5s. 6d. the ounce in Silver." We acquaint you, that such mode of receiving the Duties is incorrect; the Law above referred to, whereby the Duties are imposed, declaring them to be Sterling Money of Great-Britain, and that Dollars, when taken in payment of Duties, should only have been received according to their relative value to the British Coins, in lieu of which the same were tendered, viz. at the rate of 4s. 4d. each: and the Lords Commissioners of His Majesty's Treasury having, by an Order dated the 27th ult, desired that the Duties payable in the Colonies to the Officers of this Revenue, be received either in British Money, or in Dollars of full weight, at 4s. 4d. each, for three years, and after that period, in British Money

~~only~~

~~P. 200~~ only.- We direct you to govern yourselves accordingly, observing that the three years will expire on the 5th January, 1831.

In conveying these Instructions, we have to apprise you, that it is not considered that this arrangement will make any alteration in the amount of Duty to be paid, where the Duty is to be levied ad valorem; it being assumed that, according to the former practice, the articles were valued in the same Currency in which the Duty was afterwards to be paid.

[Signed:] H. Richmond,

W. Cust,

A.S. Stapleton,

Collector and Comptroller, H.M.

Customs, Halifax.

Halifax Merchants Ask Lt. Gov. to Allow Payment of Duties in Provincial  
Paper or Gold

PUBLIC RECORDS OF NOVA SCOTIA.  
MANUSCRIPT DOCUMENTS  
HOUSE OF ASSEMBLY OF NOVA SCOTIA  
1828 - 1831. VOL. 309 - DOC. No. 58.

Copy.

To His Excellency Lieutenant General

Sir James Kempt, Knight Grand Cross

of the most Honorable Military Order of the Bath,

Lieutenant Governor and Commander in Chief in and over

the Province of Nova Scotia and its Dependencies &c, &c,

The Memorial of the Chamber of Commerce of Halifax

Humbly Sheweth .

That your Memorialists have received information from the Honorable the Collector of His Majesty's Customs that in consequence of an Order from the Honorable Board of Commissioners all Duties collected in future under the late Acts of Parliament, regulating the trade between the British Colonies and Foreign Countries must be paid in Dollars at four Shillings and four pence Sterling each, or in British money, notwithstanding these duties are finally directed by the said Acts to be paid into the

1828  
5 March

Provincial Treasury.

Your Memorialists beg leave to represent to Your Excellency the extreme inconvenience or almost utter impossibility of complying with this regulation in consequence of the very small amount of the Coins of the British Realm, or of Dollars to be obtained in this Province; the former of which even at this time for the purchase of Bills of Exchange alone, bear a premium of at least from twelve to thirteen per cent, and the latter difficult to be had at any rate, and in consequence of the increased demand by this regulation the premium on both will be greatly enhanced thereby imposing an additional duty on articles of the first necessity, as for example at this rate of premium on British Silver the duty on Flour both of superfine and inferior quality will be increased nearly one shilling pr. barrel. The high value which the British Silver bears in this market is well known, the cause of which Your Memorialists conceive cannot be removed while the Exchange between Great Britain and these Colonies continues so much in favour of the Mother Country.

The Chamber of Commerce have been urgently called on to bring this matter before Your Excellency as an American Vessel is now lying in



Port without discharging her Cargo, the Consignee not feeling authorized to incur this additional expense, and the Sale of the Flour from the Free Warehouse for Consumption has been declined for the same reason.

Your Memorialists therefore humbly hope that Your Excellency will be pleased to receive the prayer of the present Memorial with the same favorable Consideration they gratefully acknowledge was experienced from Your Excellency on a similar occasion when the Acts of 3d George 4 Cap 44 and 45 first went into operation, and that Your Excellency will authorize the Collector of His Majesty's Customs to receive the Duties under the Acts of the Imperial Parliament now in force in Province Notes or Gold at the rate the same are now taken at the Provincial Treasury ; or if Your Excellency should be of opinion that in computing the relative value of the Monies of this Province to those of Great Britain the Dollar should be rated at four shillings and four pence Sterling instead of four shillings and six pence as heretofore, then Your Memorialists humbly pray that the

*Handwritten signature*

Collector be authorized to allow the Merchants the benefit contemplated by the 12th Section of 6. George 4 Cap 114, by estimating the duties at the rate of five shillings and six pence Sterling per Ounce of Silver, or grant such other relief as to Your Excellency may seem meet.

And Your Memorialists as in Duty bound will ever pray .

Halifax, March 5th 1828.

[Signed]

Joseph Allison, President

Sam Cunard  
L. Hartshorne  
Rich'd Tremain  
S.W. Deblois  
John Clark  
Lewis E. Piers  
James Tobin  
Martin Gay Black  
John A. Barry  
J.G.A. Creighton  
James Bain  
M.B. Almon  
James M. Tidmarsh  
George P. Lawson.

*Council  
W. Munroe  
L. D. Grant*

The Lt. Gov. Waives the British Order Re Payment of Duties

C. O. 217  
 Volume 148  
 1828.  
 P. 131. -

*[Handwritten signature]*  
 Halifax, 7 March, 1828.

Gentlemen,-

I have the honor to inform you that the Memorial of the Chamber of Commerce dated the 5<sup>th</sup> Inst together with your Report thereon were this day submitted by His Excellency the Lieutenant Governor to the Consideration of His Majesty's Council, and it appearing to the Board, that an immediate compliance with the instructions recently received by you, requiring His Majesty's Duties to be paid in British Money, or in Dollars at 4<sup>s</sup>/4<sup>d</sup> each, would be attended with great inconvenience, His Excellency is pleased to direct that you will suspend the execution of those Instructions for the present.

To -

[Signed] R. D. George.  
 Sec<sup>ty</sup>

The Principal Officers,  
 H. M. Customs, Halifax.

*1828*  
*7 March*

Customs Officers' Reply to the Lt. Governor's Message~~Supervisor~~

7/3/1828

C. O. 217.

Volume 148.

1828.

Page 132.

Custom House, Halifax  
7<sup>th</sup> March, 1828.

Sir,-

We have the honor to acknowledge the Receipt of His Excellency the Lieut<sup>t</sup> Governor's Pleasure, on the Memorial from the Chamber of Commerce from this Port.

We have it not in our Power to further report, than that we consider the Order therein referred to ~~to be~~ be imperative upon us to enforce, and are well satisfied of the policy of the Measure provided a sufficiency of Silver could by any means be procured, France having adopted the same Colonial Policy with Success.

[Signed]

Thos. W. Jeffery Coll<sup>r</sup>  
J. Wallace Comp<sup>r</sup>Sir R. D. George Bar<sup>t</sup>Provincial Sect<sup>y</sup>

Halifax.

1828  
7 March

Lt. Gov. Informs House of His Actions Re Payment of Duties

*WMA*  
 Journals of Nova Scotia,  
 1827 to 1830.  
 P. 269.

*Temporary Suspension of Customs Pay Duties*  
*WMA*  
 Saturday, 8th March, 1828.

Message.

*1828*  
*8 March*  
 P. 269  
 JAMES KEMPT.

*WMA*  
 HIS Excellency the Lieutenant-Governor lays before the House of Assembly, a Memorial, presented to him by the Chamber of Commerce, representing the extreme inconvenience that will be experienced if the Duties, collected under the Acts of the Imperial Parliament, to regulate the Trade of His Majesty's Possessions abroad, are paid according to the strict letter and spirit of those Acts, as directed in an Order lately received from the Lords Commissioners of His Majesty's Treasury, a Copy of which accompanies this Memorial.

*WMA*  
 His Excellency informs the House of Assembly, that, having taken the same into consideration, he has, by the advice of His Majesty's Council, instructed the Principal Officers of the Customs, to suspend acting upon this Order for the present; but he feels it to be his duty to bring the subject of the Currency again under

~~the~~

2269

the consideration of the Provincial Legislature, and to express a hope that the House of Assembly will be disposed to make such Legislative Enactments as the case may require, in furtherance of the intentions of His Majesty's Government, as announced in the Order of the King in Council of the 23d of March, 1825, and in the other Papers which accompanied His Excellency's Message to the House, upon this subject, in the Session of 1826.

Government-House,

8th March, 1828.

Mr. Secretary George also delivered to the House, by order of His Excellency the Lieutenant-Governor, the following Papers referred to in the said Message, viz:

A Copy of the Memorial of the Chamber of Commerce of Halifax, to His Excellency, dated 5th March, 1828.

Also, a Copy of an Order of the Board of Customs, dated London, 20th December, 1827, and the said Papers were read by the Clerk; and thereupon,

Ordered,

269

Ordered, That the said Message and Papers do lie on the Table, to be perused by the Members of the House.

---

Customs Officers Report Lt. Governor's Actions Re Payment of Duties

C. O. 217.

Volume 148.

1828.

Page 130.

Custom House, Halifax.

22 March, 1828.

Honorable Sirs, -

Your Commands No. 52 dated 20<sup>th</sup> December, 1827 we have to acknowledge the receipt of, and commenced carrying them into effect, having before the Receipt of the same, governed ourselves by the practice of the Port in receiving the Duties in Halifax Currency by payments in gold and silver by Tale, or Dollars at the Rate of 5/6 Sterling per ounce.

The Trade finding great inconvenience and distress by the New System, Memorialized His Excellency the Lieut. Governor for time to enable them to comply with the law; copy of His Excellency the Lieut. Governor's Order in Council is transmitted here with for Your Honorable Boards information, His Excellency we believe was induced to adopt

1828  
22 March  
1259

not not  
not not  
68

C. O. 217

Volume 148

1828.

P. 12.

-----

this measure as the most advisable to afford time to the legislature of this Colony now assembled to adopt as near as possible the Irish Act on this important Question.

We trust His Excellency will not extend the time beyond the end of the present Quarter as it will in that Case create much trouble in arranging our accounts.

[Signed] Thos. W. Jeffery Coll.

J. Wallace Comp.<sup>t</sup>.

To the Honorable

The Commissioners of

His Majesty's Customs.



Customs Officers Ask Lt. Gov. to Reconsider His Suspension of Duty Payment Rules

~~The suspension of duty standard require  
members of the C. O. as in fact it was never the intention~~

Custom House, Halifax

2<sup>d</sup> May, 1828.

C. O. 217

Volume 148.

1828.

Page 135.

1828

2 May

260

Sir,

Praying reference to the Order of His Excellency the Lieutenant Governor in Council of the 7<sup>th</sup> March last, directing the principal officers of this Department to suspend the execution of the 12 Sec<sup>n</sup> Ch: 114 6 Geo 4 as directed by the Honorable the Board of Customs in their letter dated 20<sup>th</sup> December No 52.

And being informed that His Excellency is about to quit the Province in His Majesty's Service for a short period, sensible that in allowing His Excellency to depart without calling his attention to the subject Matter of the above Order, we should render ourselves liable to censure from the Honorable Board of Customs, We most respectfully request of you to move His Excellency for a reconsideration of the Case,

#259

the Trade having as it appears to us had sufficient time, to make every necessary arrangement to meet the demand as required by Law, The Trade with the United States and this Colony being without doubt under the Order of His Excellency in its operation placed on a more favorable footing by nearly 9 per cent than that which is enjoyed by the other North American Colonies, where the Doubloon is received at 15½ Dollars 4<sup>s</sup>/<sub>4</sub><sup>d</sup> Sterling each; in this view of the Case we most respectfully submit for His Excellency's consideration the necessity of allowing the principal officers of this Department to govern themselves by the practice of the Commissariat Department, in the receipt of British Coin at the Standard value, Doubloon at 15½ Dollars and Dollars at 4<sup>s</sup>/<sub>4</sub> Sterling each, as it is most evident that under the present practice the Americans, who are the

owners of three fourths of the goods imported from the United States are trading to this Colony at a premium of about 9 per cent beyond that which is afforded them by New Brunswick and Canada practice.

We have &c. &c.

[Signed]:

Thos. N. Jeffery Collector.

Edward Wallace - Comptroller.

To,-

Sir R. D. George Bar<sup>t</sup>

Prov. Secretary.

British Treasury of Extreme Hardship Imposed by the Imperial Duty Payment Rules

~~(with 19 September 1828 - Stewart to Hay.)~~

10/20/1828

~~----- 10 -----~~

~~Received of the  
made payment  
on the~~

C.O. 217

Volume 148

1828.

Page 126.

1828  
15 July

To The Right Honorable the Lords Commissioners  
of His Majesty's Treasury The Memorial of John Bainbridge  
and Henry Bliss, Agents for the Province of New Brun-  
swick

humbly sheweth

That the late Order by the Honorable Board of  
Customs dated the 20<sup>th</sup> December last, requiring the Duties  
in His Majesty's North American Colonies to be paid either  
in British Money or Dollars at 4/4 each for the next three  
years and afterwards in British Money, has produced very  
serious inconveniences as will appear by the Memorial here-  
to annexed, transmitted to your Memorialists by the Cham-  
ber of Commerce at Halifax.

That the Circulating Medium of the British North  
American Provinces consists of the Coins of the United  
Kingdom, of France, Spain, Portugal, and the United States,

C. O. 217.

Volume 148

1828.

Page 126.

together with the Bank or Treasury Notes of the Province, payable in any of the above kinds of specie and of equal credit; that of these Coins the British are in small Quantity, and on account of the Rate of Exchange, always at a premium, and immediately collected for remittance home. That the Spanish Dollars likewise bear a considerable premium on account of the Trade between China and the United States, and are constantly remitted to that Country, consequently, the value of both these kinds of Specie fluctuates with the fluctuation of Exchange, and is different in different Colonies, and it may even happen in some, that the Duties are to be paid in that Coin only which is not in the Country.

That as the Act of Parliament neither requires Dollars nor any other particular kind of Specie, Your Memorialists humbly submit to your Lordships, whether the Duties, as debts to the King are not legally payable in any Specie

~~C. O. 217~~  
~~Volume 148.~~  
~~1828.~~  
~~P. 127.~~

which is a tender by the Law of the Colony where the debt accrues, always however, according to the value of 5/6 the Ounce in Silver the only stipulation the act contains.

Your Memorialists therefore humbly pray that your Lordships will be pleased to direct the Order of the Honorable Commissioners to be modified so, as to allow Specie of other countries commonly circulating in the British North American Colonies to be received by the Collectors of the Customs according to its relative value compared with 5/6 the Ounce in Silver of the British Standard, and that such Provincial Notes as are of undeniable Credit may also be received for the value they represent according to the same rate and Standard.

~~-----~~  
~~1828.~~  
~~Page. 127.~~

And your Memorialists as in duty bound will ever pray &c. &c. -

Bread Street London 15 July 1828.

To The Right Honorable  
The Lords Commissioners of His Majesty's Treasury.  
&c. &c. ----

British Treasury Allows Doubloons to be Used for Payment of Duties

C.O. 217

Vol. 148

1828.

(P. 116)

Sir,-

I have laid before the Lords Commissioners of His Majesty's Treasury your Letters of the 16th. April, 26th. May, and 27th. June last, transmitting the copy of a Letter from Lieut. General Sir James Kempt enclosing a Memorial from the Chamber of Commerce at Halifax, on the subject of the directions received in that Colony for the payment of the Duties levied under the Act. 6<sup>th</sup> George 4<sup>th</sup> Cap 114 in British Money or in Dollars at 4s. 4d. for three years, and after that in British Money only, also a Letter from the President of Newfoundland on the subject of a similar Order received in that Colony; also a letter from the Earl of Dalhousie, enclosing a Memorial from the Merchants of Quebec on the same subject; and I am commanded by their Lordships to transmit to you for the information of Secretary Sir George Murray Copies of a

Treasury Chambers,  
19th. September, 1828.

19/9/1828

1828

19 Sept.

C.O. 217

Vol. 148

1828.

P. 116

letter from Lieut. General Sir James Kempt of the 4<sup>th</sup> of May last, enclosing a Memorial addressed to this Board by the Chamber of Commerce at Halifax, also of Reports from the Commissioners of Customs of 1<sup>st</sup> May and 10<sup>th</sup> of July last, enclosing Letters from their Collector and Comptroller at Halifax, together with the Copy of a Letter from Messrs. Bainbridge and Bliss, Agents for the Province of New Brunswick, all on the same subject; and I am to request that you will move Sir George Murray to acquaint the Governors of these Provinces respectively, that it was the obvious intent and meaning of the Acts 4<sup>th</sup> George 3<sup>d</sup> Cap 15 Sec. 41 and 6<sup>th</sup> George 4<sup>th</sup> Cap 114 Sec 12, that the duties thereby imposed should be paid in British Money, or in other monies the value of which should be computed by the amount of Pure Silver contained therein, and be received at the rate of 5<sup>s</sup>. 6d.

C.O. 217

Vol. 148

1828

P. 117.

per oz. of Pure Silver by which one uniform provision was made for estimating the true value of all Silver Coins whatever disproportion of Fine Silver they might contain; and that their misinterpretation of these Acts has operated to expel the British Coinage from Circulation, and that My Lords cannot authorize the Dollars to be received at a higher rate, than 4s. 4d. Sterling, which exceeds their value at 5s. 6d. per Oz. of Pure Silver.

With respect to the applications from Halifax and New Brunswick to be allowed to pay the duties of Customs in Doubloons My Lords are disposed to think that from the state of the Trade and Commerce in those Colonies it may be reasonable so far to relax from the Orders which have been issued, as to allow the Doubloons to be received in payment of Duties as well as British Money and Spanish Dollars, in which case the Doubloons are to be taken in lieu of Spanish Dollars at their relative value in the market at the Colony which my



~~4~~

Lords understand to be at present 15-1/2 Dollars to one Doubloon, but My Lords cannot allow Provincial Notes to be received.

With respect to the Application from the Chamber of Commerce at Quebec My Lords cannot sanction the receipt of all clipped or light Dollars at the full value of 4s. 4d. each, but will not object to Dollars somewhat worn being received for Duties provided they are current in all transactions at their full nominal value, but not otherwise.

I am, -

Sir,

Your Obedient Servant,

J. Stewart.

R. W. Hay, Esq.,

&c. &c. &c. &c. -

~~115~~  
 The Novascotian  
 or  
 Colonial Herald.  
 1829.

p. 50.

~~1. Re Customs Regulation, making the dollar worth 4/4.  
 a. action of Com. Society  
 b. security of small change~~

Halifax, February 17, 1829.

COMMERCIAL SOCIETY

REPORT.

~~1829  
22 July~~  
~~See #253~~  
 THE lapse of another year having made it the duty of the Chamber of Commerce to offer to the Commercial Society of Halifax an abstract of its proceedings during that period, the detail of which may be found recorded in its Books, it now takes leave to present the following Report.

Having ascertained early in March that the Hon. the Commissioners of H. Majesty's Customs had transmitted instructions to the Collector and Comptroller of His Majesty's Customs at this Port, directing them to receive only British silver, or Spanish dollars at 4s. 4d. sterling each, in payment of duties receivable at the Custom House, the Chamber immediately appointed a Committee to prepare and present a

~~Memorial~~

~~U.S. 758~~

Memorial to His Excellency the Governor, stating 'the great difficulty, and almost total inability of the trade of the Province to comply with the order which had been received'; and praying 'that His Excellency would direct that the duties under the Acts of the Imperial Parliament should be received in Provincial Notes, or in Gold, at the rate at which the same were taken at the Provincial Treasury: - or in case His Excellency should be of opinion that in computing the relative value of the monies of the Province to those of Great Britain, the Dollar should be rated at 4s. 4d. sterling instead of 4s. 6d., that then the Collector should be authorized to allow the Merchant the benefit contemplated by the 12th Section of the Act 6 Geo. 4 cap 114, estimating the Duties at the rate of 5s. 6d. sterling per oz. of silver; or, that His Excellency would grant such other relief as to him might seem meet.

To this Memorial, His Excellency was pleased to reply, through the Secretary of the Province, 'that he had

~~submitted~~

submitted it to the consideration of His Majesty's Council, and, the Board having concurred in the opinion therein expressed, 'that an immediate compliance with the instructions received by the principal Officers of His Majesty's Customs at this Port, as respected the payment of His Majesty's Duties in British money, or in dollars at 4s. 4d, each, would be attended with great inconvenience,' he had ordered that the operation of those instructions should be suspended.

This answer of His Excellency, altho' at the moment satisfactory to the Chamber, and complying to a certain extent with the prayer of the Memorial, appeared to it as holding out only a temporary relief; and, as it was possible that the order from His Majesty's Treasury might be shortly directed to be carried into effect, it was determined to prepare a respectful Petition to the Lords Commissioners of His Majesty's Treasury, stating 'the utter impossibility of complying with their Lordship's order under the then present circumstances of the Provincial Trade; and praying that the

*Burke's*

Duties payable at His Majesty's Customs might be received in such monies as were then, or might be thereafter current in the Province: - to present a copy of the same to His Excellency Sir James Kempt, and respectfully request him to forward it to His Majesty's Government; and also to solicit that he would be pleased to continue his suspension of the order until an answer should be received.'

Previously, however, to the preparation of this Memorial, a communication was received from His Excellency Sir James Kempt, intimating to the Chamber that the order above alluded to 'had been again brought under his notice by a letter from the Officers of His Majesty's Customs, dated only the day previous;' that 'being averse to interpose his authority to counteract for an indefinite period any orders emanating from His Majesty's Government, he had thought proper to so submit the subject to the reconsideration of ~~his~~ His Majesty's Council;' and, 'that an order in Council had that day been made, limiting the duration of the suspending order

*1822*

of 7th March to the 5th July next ensuing; on and after which latter day, the said instructions would be carried into effect:- by which it was hoped by his Excellency, that time would be afforded to the Merchants to make arrangements to obviate the inconvenience which an immediate enforcement of the new regulation could not fail to occasion.'

The proposed Memorial to the Lords Commissioners of His Majesty's Treasury was therefore drawn up with the least possible delay, by the Committee appointed to prepare it, and, having received the sanction of the Chamber, was immediately submitted to His Excellency, together with a Petition 'that he would be pleased to forward it to His Majesty's Government, and to urge their Lordships<sup>x</sup> early and favorable consideration of its prayer.' His Excellency was pleased to reply, 'that he should forward the Memorial by the earliest conveyance, although he had already felt it his duty to communicate to His Majesty's Government the subject embraced by it.'

~~Copies~~

Copies of this document were forwarded by the Chamber to the President of the Chamber of Commerce at St. John N.B. and St. John's N.F. and to the President of the Committee of Trade at Quebec; and, in return, the Chamber was favored with copies of the Memorials of the latter to His Majesty's Government on the same subject.

In answer to this application, the Chamber have been furnished by the Collector and Comptroller of His Majesty's Customs at this Port, with a printed copy of a Treasury minute of 16th Sept. 1828, which states 'that their Lordships were disposed to think, from the State of Trade in the Colonies of Nova Scotia and New Brunswick, that it was reasonable so far to relax from the orders which had been issued, as to allow Doubloons to be received in payment of Duties, as well as British Money, and Spanish Dollars: in which case, Doubloons were to be taken, in lieu of Spanish Dollars, at their relative value in the Market at the Colony, which their Lordships had understood to be  $15\frac{1}{2}$  dols. to one Doubloon:- but that their Lordships could not allow Provincial Notes to be received." By this decision the Society will perceive the value of the Doubloons, in payment of Duties at the Custom House, is reduced to £3 14  $7\frac{1}{2}$  currency.

British Treasury Suspends Rule that Duties Must be Paid in British Coin Only  
After 5 Jan. 1831

Treasury Chamber, 5th Oct. 1830.

*M.S. Royal Gazette  
Dec. 1830*

Gentlemen: - With reference to the Letter of this Board of the 9th June, 1827, transmitting a copy of a Minute of the 6th June, directing that after three years, Duties payable to the Officers of Customs in the Colonies should be received in British Money only, which orders you appear to have directed your Officers to carry into effect from the 5th January, 1831; and referring also to the Letter of the 22d. Sept. 1828, transmitting a Copy as a minute of the 16th Sept. on various memorials relating to the Coin, and the rate thereof, in which Customs Duties might be received; I am commanded by the Lords Commissioners of His Majesty's Treasury, to acquaint you that from representations which their Lordships have received respecting the circulation medium in various Colonies, it appears that much inconvenience would arise, if Customs Duties were payable in British Silver Money only, and my Lords are therefore pleased to direct you to suspend until further directions from this board the operation of so much of the Minute of the 6th June, 1827, as requires payment of Duties to be made in British Silver only.

(signed)

Commissioners Customs

J. Stewart.



794  
ATTEMPTED LEGISLATION TO ASSIMILATE HALIFAX CURRENCY WITH  
BRITISH STERLING

H A L I F A X.

March 19, 1828.

-----

The Following Bill has passed a first reading in the  
House of Assembly, and is published by Authority previous  
to the second reading:

An Act to provide for the Assimilation of the Currency and  
Monies of Account of this Province, with the Currency and  
Monies of Account established throughout the United Kingdom  
Of Great Britain and Ireland:-

Whereas the Pound sterling in the United Kingdom of Great Britain  
and Ireland, and in this Province, is according to the Currency  
of each, divisible into Twenty shillings, and the shilling is according  
to the Currency of each respectively, divisible into twelve pence;  
but the Silver Coin which represents a shilling in the said United  
Kingdom, is paid and received in this Province as representing  
Thirteen pence and one farthing of the Currency of Nova Scotia, and  
the Pound sterling of the Currency of the United Kingdom is at the Par  
of Exchange paid, and received as equivalent to One Pound two shillings  
and two pence one farthing of the Currency of this Province, so that  
the Par of Exchange between Great Britain and this Province, is one  
tenth part greater in Nova Scotia. And Whereas great complexity of  
Accounts, and many other inconveniences, arise from such difference

794  
ROYAL GAZETTE  
19 MARCH 1828

1828  
19 MARCH

112

of Currencies, it is therefore expedient that the Currency of this Province should be assimilated to the Currency of the United Kingdom, and that without disturbing the relation between Debtor and Creditor, the Monies of Account should be the same in both Countries : -

Be it enacted by the Lieutenant Governor, Council and Assembly, that after the commencement of this Act, the Currency of the United Kingdom of Great Britain and Ireland shall be, and is hereby declared ~~thereafter~~ to be the Currency of this Province, and ~~thereafter~~ all Receipts, and payments, and all Gifts, Grants, Contracts, Bargains, Sales, Agreements, and Stipulations, and all written Bonds, Bills, Notes, Drafts, Acceptances, Receipts, Acknowledgements, Undertakings or Securities for Money, and all Transactions and dealings, matters and things whatsoever or which may involve the payment of money, or liability to pay the same, which may take place in any part of this Province, shall be made, done, executed, and entered into, according to the Currency of the said United Kingdom and not according to any other Currency, unless the contrary be proved to have been the intention of the Parties concerned. It being the true intention and meaning of this Act ( except as hereinafter is especially provided ) that all dealings and money transactions of every kind, after the commencement of this

*W.A. M.B.*

4

Act, shall be done, and entered into, according to the Currency of the said United Kingdom, which is from thenceforth to be the lawful money and currency, and money of this Province, notwithstanding any Law, Usage or Custom, to the contrary.

And be it further enacted, that all Gifts, Grants, Contracts, Bargains, Sales, Agreements, Bonds, Bills, Notes, Drafts, Acceptances, Receipts, Recognizances, Judgements, Awards, Leases, Specialties, or simple Contracts, written or parole, and all dealings, transactions, matters and things, relating to money, or the payment of money, or liability to pay money, which shall exist between Parties in any shape or form, at any time before the commencement of this Act, and which, if this Act had never passed, the Parties would have been liable to pay and satisfy according to the amount thereof in Nova Scotia Currency, shall and may, after the commencement of this Act, be paid and satisfied with Spanish Dollars each valued at and after the rate of five shillings of the ancient Currency of Nova Scotia, or with Doubloons of full weight valued each at eighty shillings, of said Currency, or otherwise in the Sterling Coin of the said United Kingdom, by a sum of such Sterling Coin less by one tenth, than the amount of the

214

~~4~~

sum to be paid in the ancient Currency of this Province. Provided always, but nothing herein contained, shall extend, or be construed to extend, to alter the Terms of payment where Parties had, prior to the commencement of this Act, become bound, or liable in any shape, to pay in Sterling money, Foreign Coin of any denomination; it being the intent and meaning of this Clause only to regulate how Parties, who had made themselves liable, prior to the commencement of this Act, to pay in the ancient Currency, may be enabled to discharge the respective demands on them either with Spanish Dollars, each valued at five shillings, or with Doubloons, each valued at eighty shillings, or with the Sterling Coin of the United Kingdom, less by one tenth part of the sum which is to be paid in the ancient Currency.

And be ~~it~~ further enacted, that from and after the commencement of this Act, all Duties of Customs, Excise, Impost, Fines or Penalties, which, previous to that time, were payable to our Sovereign Lord the King, in the ancient Currency of the Province, and all sums of money payable under any Act of the General Assembly, whatsoever, now in force, shall thereafter be collected, levied, paid and received, in the Sterling Currency established by this Act, that is to say, that the amount

~~5~~

~~5~~

of all Revenue Taxes, Duties, Fines, Penalties, or sums of money, whatsoever, which shall become due or payable as aforesaid, shall, after the commencement of this Act, be deemed and taken, to be due and payable in pounds, shillings, and pence, of Sterling Currency, instead of the same number of pounds, shillings, and pence, of the ancient Currency, in which the same had been received or made payable, under and by virtue of any law existing at the commencement of this Act, it being the true intent and meaning of this Clause, to increase the amount of the Revenue, and of the sums of money respectively mentioned in the said Acts, by the difference between the respective Currencies.

And be <sup>it</sup> further enacted, that for the space of three years from and after the commencement of this Act, the Denomination of Gold Coin commonly called and known by the name of a Doubloon, the same being of the weight of 17dwts.. 8grs. shall be taken and received as a lawful Tender and payment for the sum of Sixty-seven shillings of Sterling silver coin, and four pence of British Copper coin, and the several parts of such Doubloons and Dollars, shall be received at the same rate. And from and after the expiration of the said three years, no other Denomination of coin shall pass current, otherwise than as Bullion, or be a lawful Tender in this Province, save only the Gold and Silver Coin of the United Kingdom; provided always, that any sum under

~~6~~

amount of twelve pence shall and may be received and paid in the British Copper Coin.

And be <sup>it</sup> further enacted, That all debts, contracts, liabilities matters or things, relating to money, arising at any time after the commencement of this Act, by inference or implication of Law, out of, or being founded upon, any gifts, grants, contracts, bargains, sales or dealings, matters of things made, done or had at any time prior to the commencement of this Act, the same shall be held, deemed, and construed to be within the meaning of this Act, as debts, gifts, grants, contracts, liabilities, bargains, sales or dealings, matter of things made, or had prior to the commencement of this Act, and shall be construed accordingly.

Provided always, and be it enacted, That nothing herein contained, shall prevent any gift, grant, contract, bargain, sale, or dealing of money, or any Bill, note, draft, acceptance, receipt, or acknowledgement for the payment of Money, or any matter, or thing, relating to money, from being made or had, according to the Currency of Foreign Parts.

And Whereas, it will be attended with much inconvenience, if this Act should commence before a similar Regulation of Currency should be made in the neighbouring British Colonies, or before the

~~Handwritten signature or mark~~

~~11~~

the people of this Province, shall have had a reasonable time allowed to prepare themselves for conforming to its Provisions and Regulations. Be it therefore enacted, That it shall and may be lawful for the Governor or Person Administering His Majesty's Government for the time being, by and with the advise of His Majesty's Council, by Proclamation, to name and appoint a day on which this Act shall commence and be carried into effect, from and after which day, the Gold and Silver Coins of the United Kingdom of Great Britain and Ireland, shall circulate, and be current in this Province, at the same nominal, as well as real value, as the same pass, and are current for in the said United Kingdom, and shall from and after the day so to be appointed for the commencement of this Act, be taken, paid, accepted and computed, as representing and divisible into the like number of Pence, and as representing the like nominal sum of Money, as such Coins are respectively current for, and are divisible into, and do represent in Great Britain; and not as current for, or as representing any greater nominal sum of Money, or divisible into any greater number of Pence, than the same are current for, do represent, or are divisible into in Great Britain, that is to say; the British Silver Sixpence shall circulate, be taken for, accepted, paid and computed, as current for, and divisible, and representing, Sixpence, only and not Sixpence and six-

tenths of a penny, as heretofore - The British Silver Shilling as Twelve pence, and not as, Thirteen pence, and one fourth of a penny - The British Half Crown Piece as Thirty pence or Two Shillings and Sixpence, and not as Thirty-three pence - The British Silver Crown Piece, as Sixty pence or Five Shillings, and not as Sixty-six pence - The British Gold Coin of a Half Sovereign, as One Hundred and Twenty pence or Ten Shillings, ~~and not as One Hundred~~ and not as One Hundred and Thirty-three pence, or Eleven Shillings and one penny - The British Gold Coin of a Half Guinea as One Hundred and Twenty-six pence or Ten Shillings and Six pence, and not as One Hundred and Forty pence or Eleven Shillings and eight pence - The British Gold Coin of a sovereign, as Two Hundred and Forty pence or Twenty Shillings or One Pound, and not as Two Hundred and Sixty-six pence, or One Pound Two Shillings and Two pence, The British Gold Coin of a Guinea, at Two Hundred and Fifty-two pence, or One Pound and One Shilling, and not as Two Hundred and Eighty pence, or One Pound Three Shillings and Four pence; and the British Gold Coin of a Double Sovereign, as Four Hundred and Eighty pence, or Forty Shillings, or Two Pounds, and as not as Five Hundred and Thirty-two pence, or Two Pounds Four Shillings and Four pence as heretofore any Law, usage, Statue of Custom, in force in this Province, at any time before the passing of this Act, to the contrary.



And be it further enacted, that for three years next after the commencement of this Act, the Spanish Doubloon of full weight, shall pass and be current for Three Pounds seven shillings and two pence of British Sterling coin, and not as for Four Pounds as heretofore, and the half Doubloon shall pass and be current for One pound thirteen shillings and seven pence of British Coin, and not for Two pounds, and the quarter Doubloon shall pass for Sixteen shillings and Nine pence half penny British coin, and not for one pound; and the eighth of the Doubloon shall pass for Eight shillings and Four pence Three farthings, and not for Ten shillings. And the Spanish Silver Dollar of full weight, shall pass during the same period for Four shillings and four pence of British Coin, and not for Five Shillings; and the Half Dollar, for Two Shillings and Two pence of British Coin, and not for Two Shillings and Sixpence; and the Quarter Dollar for One Shilling and One penny, or Thirteen pence of British Coin, and not for Fifteen pence; and the Eighth of a Dollar, at Six pence half-penny of British Coin, and not for Seven pence Half-penny, and the sixteenth part of the Dollar at Three pence of British Coin, and not as Three pence Half-penny; and after the expiration of the said Three Years, all Foreign Coin, of every denomination and description, shall cease to be current in this Province, and from thenceforth, British Gold, Silver and Copper Coin, shall be the only current Coin in this Province, lawful to

be tendered or received in Payment, Provided always, that no person shall be obliged to receive at one Payment a larger sum than Twelve-pence of British Copper Coin.

And Whereas, the Copper Coin now current in this Province, is of less value than the British Copper Coin, yet it would be attended with loss and inconvenience, if the same was not allowed to pass current for a limited period. Be it therefore further enacted, That for three years from and after the commencement of this Act, the Copper Coin issued from the Provincial Treasury, shall pass current throughout this Province, for the same value as the British Copper Coin, and from and after that period, there shall be delivered out of the Provincial Treasury, to every person bringing in and delivering the Copper Coin issued from the Treasury of this Province, a sum in the Copper Coin of Great - Britain, after the rate of Twelve-pence of such British Copper Coin, for every Fifteen-pence or Thirty Half-pence of such Provincial Copper Coin.

-----

~~THE NOVA SCOTIA ROYAL GAZETTE, March 19, 1828.~~

PROVINCIAL TREASURY NOTES 1828  
 a. Loan Office and Treasury Note Accounts

Journals of Nova Scotia,  
 1827 to 1830,  
 P. 378.

Tuesday, 17th February, 1829.

P. 378 .....

Province Notes.  
~~PROVINCIAL NOTES~~

Amount of Notes in Circulation the 31st December last	£27,877 10 0	
Delivered the Treasurer in lieu of defaced Notes, &c. &c.	22,150 0 0	
	<u>£50027 10 0</u>	
Notes received and destroyed by the Committee	11 000 0 0	
Leaving in Circulation the 31st December last		£39,027 10

LOAN OFFICES.

King's County.

Accounts have been received to the 31st December last, by which there appears to have been paid the Treasurer £750, including the sum of £542 18 3, reported last year; they have Securities with Interest due thereon, to the 31st December last, £1459 17 2

Annapolis.

Accounts have been received to the 31st December last, by which there appears to have been paid the Treasurer £249; there is due on the Securities, with Interest thereon

197/ 11 03/4

~~SECRET~~  
~~Printed and Sold by J. G. ...~~  
~~at the ...~~

CAP. III.

An Act for Issuing Treasury Notes, and Cancellling those now in circulation.

**BE** it enacted, by the Lieutenant-Governor, Council and Assembly, That it shall and may be lawful for the Lieutenant-Governor, or Commander in Chief for the time being, to appoint three fit and proper persons as Commissioners, to issue Treasury Notes, to an amount not exceeding Forty Thousand Pounds, in Notes of Twenty Shillings each; which said Notes shall be indented and impressed with the words "Nova-Scotia," signed by the Treasurer of the Province, and countersigned by not less than two of the Commissioners, and in such form, figures and words, as the said Commissioners shall direct; all which Notes shall be dated on the first day of the Month in which the same are issued, and, when so completed and signed, shall be delivered to the Treasurer, in such sums as the Governor, Lieutenant-Governor, or Commander in Chief for the time being, shall by Warrant direct, by the persons appointed to countersign the same, and the Treasurer shall be accountable for such Notes so delivered to him.

II. *And be it further enacted*, That the said Commissioners, so to be appointed as aforesaid, before they enter upon the duties imposed by this Act, shall respectively take and subscribe before any one of His Majesty's Justices of the Courts of Record in this Province, the following oath: I, A, B, do swear, that I will well and faithfully do and perform what I am directed and empowered to do as a Commissioner, to issue Treasury Notes, under an Act, entitled, An Act for issuing Treasury Notes and Cancellling those now in circulation; and that I will not knowingly sign any more or greater amount of Treasury Notes, than I am authorised to do under the said Act, so help me God: which affidavit shall be filed in the office of the Secretary of this Province.

III. *And be it further enacted*, That when and so often as Money shall become due and payable by virtue of any Act or Acts already passed, or that may be passed during the present Session of the General Assembly, and Warrants for the same are produced for payment to the Treasurer of the Province, he shall pay the amount of such Warrants, on demand, in the said Notes, to the person or persons entitled to receive the same; which Notes shall be again received at the Treasury, and also taken by the Collectors of Impost and Excise, for the several Districts in this Province, at the specified value, equal to the like value in Gold and Silver, when and as often as the same are presented and offered in payment of Duties.

IV. *And be it further enacted*, That the Treasurer of the Province, together with the Persons appointed to countersign the said Notes, are hereby empowered to contract for, and superintend, the printing, and completing the Blanks of such Notes, as are directed to be issued by virtue of this Act.

*And whereas*, it is expedient to reduce the Funded Debt of this Province:

V. *Be it therefore enacted*, That the Treasurer of the Province shall, in the first ten days of the Months of January, April, July and October, in every year, report to the Governor, Lieutenant-Governor, or Commander in Chief for the time being, the amount of Gold and Silver in the Treasury; and thereupon, it shall and may be lawful for the Governor, Lieutenant-Governor, or Commander in Chief, as soon thereafter as may be, by Warrant to be directed to the Treasurer, to order and direct such Gold and Silver, to such extent, as to the said Governor, Lieutenant-Governor, or Commander in Chief for the time being, shall appear prudent and expedient, to be paid and applied towards the satisfaction and discharge of so much of the Funded Debt of the Province, and upon such

For Acts on this subject, see 10, Geo. 4, C. 48, 11, Geo. 4, C. 9, 2, Wm. 4, C. 64, 3, Wm. 4, C. 88, 5, Wm. 4, C. 22.

Appointment of Commissioners—

Amount and description of Notes

Date

Delivery to Treasurer

Oath to be taken by Commissioners

Notes to be paid and received at Treasury and Excise

Printing, and completion of Notes

Quarterly Report of the Gold and Silver in the Treasury

Discharge of Funded Debt of the Province

such Loan Certificates, and in such order and manner, as the said Governor, Lieutenant-Governor or Commander in Chief for the time being, shall deem proper; and the holders of the Loan Certificates, on which payments shall be made, shall also be paid by the Treasurer Interest for three Months, on the amount paid to them respectively, unless Three Months previous notice shall have been given to such holders.

VI. *And be it further enacted*, That the Treasurer of the Province shall, from time to time, as the Notes now in circulation, or issued under this Act, come into the Treasury, deliver and pay over to the said Commissioners, for the amount of the new Notes to be from time to time delivered by them to him, under this Act, an equal sum or amount of such Notes now in circulation, or hereafter to be issued, as shall be defaced, or entitled to Interest; and the said Commissioners shall, and they are hereby directed to cancel, in the usual manner, Notes so delivered to them by the Treasurer.

*Provided always*, That there shall not at any time be in Circulation, a greater sum than Forty Thousand Pounds, under the operation of this or any former Acts.

VII. *And be it further enacted*, That if any person or persons whosoever, shall counterfeit any Treasury Note or Notes, issued by virtue of this Act, or of any former Act of the General Assembly, or alter any of the same, so that they shall appear to be of greater value than when originally issued, or shall knowingly pass and give in payment any of the said Notes so counterfeited or altered, every person convicted thereof shall be imprisoned for a term not exceeding seven years in the Bridewell, and there kept at hard labour, and shall pay all charges of the prosecution.

VIII. *And be it further enacted*, That if any person or persons shall feloniously steal, take, or carry away, any Treasury Note or Notes heretofore issued, under any former Act or Acts, or hereafter to be issued under this Act such person or persons shall be deemed and taken to be guilty of the same offence as if such person or persons had stolen, taken and carried away, so much Money as the value expressed on the face of the Treasury Note or Notes so stolen, taken or carried away, shall or may be.

IX. *And be it further enacted*, That the provisions of this Act, shall be substituted for, and be in lieu of, the Act, made and passed in the second year of His present Majesty's Reign, entitled, An Act to authorize the Cancelling of Treasury Notes, and to issue others in lieu thereof: and of the Act passed in the seventh year of His present Majesty's Reign, entitled, An Act to authorise the further issuing of Treasury Notes, and Cancelling those heretofore issued, and of all other Acts, previous thereto, touching the issuing and cancelling Treasury Notes, save and except the Acts authorizing the establishment of Loan Offices in King's County and Annapolis; and all further proceedings under the said first mentioned Acts shall henceforth cease and determine.

~~Substitution of new Notes for old~~

~~Amount of Notes in circulation limited~~  
~~Counterfeiting Notes~~

~~Stealing Notes~~

~~This Act substituted for 2, Geo. 4, C. 4, 7, Geo. 4, C. 14, and other Acts respecting Treasury Notes except as to Loan Offices in King's and Annapolis~~

CAP. IV.

An Act for establishing the Lines and Boundaries of several Counties and Districts in this Province.

WHEREAS, in pursuance of the Grants heretofore made for running out and marking the boundary Lines of Counties and Districts, several of the said boundary Lines have been already surveyed, ascertained and marked, with proper metes and bounds, which it is requisite to confirm and establish:

~~Preamble~~

I. *BE it therefore enacted, by the Lieutenant-Governor, Council and Assembly*, That it shall and may be lawful for the Governor, Lieutenant-Governor, or Commander in Chief for the time being, with the advice of His Majesty's Council, by Letters Patent, or by any instrument under his hand, duly executed, to confirm the several Lines and Boundaries of the several Counties and Districts which are already surveyed, or which may hereafter be surveyed, pursuant to any grant of money for that purpose, or any direction of the General Assembly.

~~Confirmation of Lines and Boundaries of Counties and Districts~~

II. *And be it further enacted*, That the Limits, Lines and Boundaries, of any County

754

EDITORIAL DEBATE OVER THE OPERATIONS OF THE HALIFAX BANKING CO. 1828-1829  
a. "Antonio" Criticizes the Halifax Banking Co. and Calls for the Formation of  
a Joint Stock Bank

*By "Antonio" - Against Hal. Bkng Co. & in favor of a Joint Stock Bk.*

The Novascotian  
or  
Colonial Herald  
1828.

*8/9/1828*

Halifax, September 8, 1828.

To the Editor of the Novascotian.

p. 301.

*1828  
8 Sept.*

SIR,

I, in common with many others in this community, a short time since entertained a hope that the establishment known in this place as "The Halifax Banking Company." when they ceased to do business a few months ago, would have stopped for ever, and thereby facilitated the establishment of a Banking System here, to be conducted on a more correct knowledge of its first principles, more in accordance with similar establishments in older countries, and better suited to the peculiar wants and necessities of this; and although probably less profitable to individuals, more beneficial and useful to the community at large, than the one now in existence.

In this hope, however, we have been disappointed;

~~the~~

the present "Bank" has resumed business, I am told, on a limited scale; and after having, in their first outset, from their inexperience of the nature and practical operation of the system, committed, as is now admitted by themselves, gross errors, and claimed credit for an excess of liberality; they have now, I understand, without any adequate cause, run into the very opposite extreme; and in their reforming or rather altering their mode of business, have laid down, and are acting upon, certain principles or rules, as they term them, as grossly erroneous as those they commenced with, equally repugnant to the very nature of trade, (for Banking is but a trade) and of a character so inquisitorial and exclusive that I am confident they would not for a moment be tolerated in any other community.

My object, however, is not at present to enter into a review of the proceedings of "The Halifax Banking Company," but the reverse; I only allude to them when constrained to

~~de~~

do so, from the nature of my subject; I write this also under the influence of no vindictive or angry feelings; I possess them not! It may be still further said, that they are a private establishment, and as such, have a right to conduct their business as they please; but although I admit that they possess in some degree this latter character, yet they exercise a powerful influence over the destinies of this community, be it for good or be it for evil; and as such I contend for it, their measures form a legitimate subject for public discussion and remark, and I trust that those which I may make will be such as under any circumstances whatever, I need not hesitate to avow, or you to publish: -

My object in addressing you, Sir, and through you the public, is simply to state that as it appears from their own oft repeated declarations, and more recently their acts, (which have been, however, so far beneficial as in some degree to open the eyes of the public as to the position in which they are placed,) that the present Company have proved ~~themselves~~



themselves either incompetent or unwilling to carry on a Banking Business in this place, to an extent commensurate with the legitimate wants of its mercantile community, it is high time that some measures should be adopted by that body for supplying these wants from other sources, and to prevent the recurrence of such another state of things; (for which we ought to cry shame, when we consider the cause in which it originated,) as that to which we were recently reduced, and which may again equally recur to morrow, should it be so willed, by this at present apparently all powerful association.

As these sentiments appear generally to pervade that portion of this community, who are without the pale, and beyond the influence or control of the present company, I trust that some of our most public spirited and independent members, will set on foot a subscription for the formation of a "Joint Stock Banking Company" here; one hundred shares of £500 each, forming a capital of £50,000; half to be paid down on commencing business; and the other half to be called for by ~~the~~

~~statements~~

instalments as required, would, I am quite sure, be readily filled up in this town, and throughout the province; a Bank formed on so popular a basis could not fail of meeting with general support, and I throw out these hints merely that they may be improved, and I trust acted upon by those who are better qualified to go into the details of such a subject than I am; by those who have the well being of the community at heart; who possess influence and a stake in it, and who are desirous to see a Banking system formed here on the most approved principles.

I maintain, Sir, that there is nothing peculiar in this town (although our ears have been stunned with tales to the contrary) to prevent the establishment of such a system. Wherever it has been formed and upheld, the most beneficial results have ever flowed from its operation; but when, on the contrary, the fundamental bases, the fixed principles, applicable to the most tried and approved systems are lost sight of in a grasping desire after immoderate gain, a few

~~indeed~~

indeed may be benefitted, but misery and distress will assuredly prevail in the country which is cursed by its baleful influence.

Trusting to your candour for the insertion of these remarks.

I am yours &c.

ANTONIO.

For the Novascotian  
Truth is struck out by collision - Swift

Mr. Editor,

Dr. Johnston remarks, in one of his Essays in the Rambler, that mankind are cursed with a singular disposition to find fault with everything as it exists, and to fasten their regard upon some imaginary object, as infinitely more perfect and estimable. It matters not how admirably any Institution answers the purposes of its erection - how harmoniously a system accomplishes its end<sup>s</sup>, or how prosperous and successful are the issues of an enterprise - mankind, actuated by some malicious motive, dwell upon their respective faults and imperfections - see some points in each which require amendment, and generally finish the review by recommending some untried scheme or project, to which their imagination has lent an engaging and blameless reality. If, however, the system which exists, does in truth possess faults (and what human project is without them?) this caviling disposition is furnished with new motives for action; it lingers over these blemishes, unavoidable as they are, till an eager and angry favour is enkindled, the zeal of the reformer is fired - and he proceeds by blind and relentless impulses to destroy, before he has calculated how he can rebuild.

I have been led, Mr. Editor, into these remarks by the feeling lately aroused in this Community against the Halifax Banking Company, and <sup>especially</sup> especially by the letter of Antonio, which appeared in a late number of the Novascotian, as expressive of the sentiments of some small portion of our Mercantile men. The Bank is there represented as an Institution positively injurious to the Community - a hope is expressed that the late temporary interruption of their business would have ended in the dissolution of the Company; and the wish is openly announced that a Public

124

-2-

Bank should be founded, to be conducted on a more correct knowledge of first principles" more in accordance with similar establishments in older countries, and better suited to the peculiar wants and necessities of this." When any individual appears before the public in the character of a teacher, it is a duty incumbent on him, to have studied well the subject upon which he is to lecture, and to have examined, at least slightly, the influence and operation of any new project he may recommend. Although, Mr. Editor, I pretend not to place my sagacity and knowledge in comparison with those of your Correspondents, yet I am prepared to contend, after a diligent investigation of the subject as my penetration permits, that the present Banking Company has already been of infinite benefit to the community - that it is superior in many respects to a Public Bank- and that those temporary stoppages in its discounts, on which the changes have been so loudly rung, are not only advantageous, by restraining extravagant speculation, but would require to be as frequent (if not more so), although a Joint Stock Banking Company were established by the magic wave of Antonio's wand.

The prime object of all Banking establishments is to increase the circulating medium, and to add to the amount and heighten the activity of trading capital. It is obvious, I think, that these two consequences will be promoted in a far higher degree by a private, than a Public Bank. The Association which at present exists in Halifax is composed of men with whom fortune has dealt with no niggardly hand. They had amassed capital to a larger amount than their business required, and had invested a part of it in British and American funds. Previous to the birth of this establishment, this money, so invested was virtually lost to the Province. It contributed in no degree to the prosperity of any one of its branches of its industry, and yielded only a scanty return of interest, which in most instances,

never flowed back into the possession of its owner, but was allowed to accumulate and swell upon the principal. True it still continued a part of the capital of our monied men - but to us it was dead and unproductive; and was benefitting a foreign state at the expense of our own. The establishment of a Bank, by opening a new field for the employment of capital, induced the partners to bring back a part of this wealth; and thus, by its accession, gave great depth and volume to the stream of general prosperity.

The position I have taken in the last paragraph admits, I think, of the most ample and lucid illustration. Let us estimate for instance, the Stock of the Bank at £60,000. As it is recognized as a principle, both in the Banking establishments of England and America, that the paper issued should never exceed three times the amount of capital invested, it may be stated that our Bank, if the same principle be recognized by its stockholders, has added to the circulating medium or trading capital of the country the total of £240,000. As this sum is always in active employment, which may be inferred from the known fact, that the application for discounts invariably outruns the means of the Association; and if the returns from the capital in trade, be equal to 10 per cent, it is also clear that the establishment will annually add to the income of the community about £24,000.

In what degree, Sir, would a public Bank, founded upon the principles which Antonio favoured, contribute to the same results. If the capital is to be raised by general subscription, and no individual is to be permitted to hold more than two shares, it is obvious, that these shares will not be owned exclusively by our capitalists, but on the contrary, by the traders of the community. The whole capital stock of the Bank will thus be withdrawn from the capital already employed in the business, our foreign investments will remain unchanged and undiminished, and the actual increase of trading capital and the profits accruing from it, will be

~~4~~

curtailed exactly one fourth. Our merchants would be deprived of the use of capital to the amount of £608,000, and their profits or income would be lessened £6,000 per annum.

Would this loss, however, be counterbalanced by other advantages which are to be derived only from a public establishment? Would our trade be promoted by a more liberal system of discounts, would fewer stoppages occur, and would that inquistorial supervision over private affairs, of which Antonio so bitterly complains, and in which every defaulter will most feelingly sympathize, be supplanted by a species of investigation more sparing and generous. To each of these questions I shall prepare a brief and I trust, a satisfactory reply.

Your correspondent, Mr. Editor, in the warmth of his zeal, puts forward some arguments which do not argue every favorably either for his shrewdness or consistency. The Bank is charged in one paragraph with pursuing their own interests with a blind and inflexible devotion; and in another with refusing to afford that accommodation to the community which its circumstances require. By what means and from what sources pray are the profits of a Bank derived? Does Antonio know of any other than the interest obtained from the amount of paper which it is able to force and to keep in circulation, or has his ingenuity discovered any other mode by which that paper can be introduced to the commercial market, than by the discounting of Bills? If the Bank discount less paper, or in other words, afford less accommodation to the Public than the natural demand requires, the Partners make a direct sacrifice of their pecuniary interest. He is not a very wise Chevalier who in receiving a tilt, would inflict a mortal wound upon himself, that he might have the bootless glory of striking his adversary down. To raise this insinuation against the Bankers is to charge them with madness. Antonio may chaunt 'Peccavi', for he may rest assured his reasoning is at fault. Let him study the subject in a more deliberate and searching mood, and he will discover that whenever any Bank, whether public or private, curtails

the amount of its discounts, motives superior to those of immediate interest are respected. In doing so a sacrifice of pounds and shillings is actually made; and a Bank never resorts to a measure so perplexing and obnoxious to those who are trading beyond their means, or as is shrewdly said by our Yankee neighbours "riding on the wind", until their issues exceed that ratio to their capital which experience has discovered to be safe; or until they descry that they are lending their aid to speculations at once Quixotical and ruinous, but to contend that a Bank, ( and one too so engrossingly selfish as Antonio represents ours to be) would throw any impediments in the stream of promising enterprise. or refuse to give the community the capital its circumstances require, involves so palpable an absurdity, that few men would have had the hardihood to risk the reputation by its assertion.

Does your correspondent, however, in sincerity mean to maintain that if a Public Bank were founded, no limits would be put to the amount of its discounts, - that no temporary interruption would occur in the current of its business? If he means to take such a position he must be strangely unacquainted with the history of Banks in other countries. It would be useless, Mr. Editor, to recur to the numerous shocks which have been felt in the money-market of England, during the last thirty years; for to refute the position which your correspondent has assumed, it is only necessary to refer to the occurrences of the last two years. How does Antonio account for the general stoppage which took place in the London Banks, during the Spring of 1826; and which extended its influence so widely as to paralyse the commerce of the United Kingdom. Were none of these conducted with "a correct knowledge of first principles?" Is he aware that in the month of February last, there was not a Bank which discounted in New York, save one - and that upon so limited a scale

~~6~~

that a money-holder could purchase upon charge the acceptances of the most respectable Houses in the city, at a discount of 1 to 1 1/2 per cent. per month. Did not the public Bank of St. John, for nearly three months last Summer, forbear discounting altogether; and how innumerable - how feelingly oratorical! - are the complaints which we have seen in the papers of Québec and Montreal. These stoppages in fact, are beyond the control of any Bank in the Universe, and if Antonio and his supporters were to succeed in the plan they recommend, and be voted into the Presidency and Directory, by unanimous acclamation, a short experience would convince them that these checks would require to be even more frequent, in a public, than a private Institution.

They arise in fact from two causes: from an excess of speculation in the community; and secondedly, from the fear operating on the Managers of a Bank, of issuing paper to an amount which, in case of a run, they might not be able to redeem. If it be admitted that these are the true causes from which they spring, it cannot be denied that both are as likely to control the transactions of a public, as of a private institution.

The instant a Bank is established in any mercantile town, an excess of speculation can be promoted and fostered only by a profuse and regardless system of discounting. This is seldom introduced in a private institution, where the Directors are personally responsible for their transactions. The Managers know that their whole fortunes are at stake, and they direct the affairs of the Establishment with the same cautious and becoming prudence which they would bring to the management of their own individual transactions. In a public establishment again feelings and views

~~7~~



~~7~~

of a totally opposite cast influence the minds of the Directors. Elected as they are from the body of the Stockholders, their requisites for the situation are in the majority of cases thrown into the shade; and motives not of the most pure and blameless character influence their nomination. Party views, feelings of friendship, and the hope that in the event of such and such individuals being raised to the post of honour and of trust, their paper would be received under kindlier auspices, would influence the majority. Ceasar's men would one and all acclaim for Ceasar; and persons would thus be selected, who might turn the influence of the situation to promote the wishes of their partizans more than the welfare of the Institution, or the credit of the community. Give and take would then become the argument of last resort. It is generally seen in the world that a person in such a situation, who will "his ear more readily incline" to the solicitations of his friends, will not be deaf to the eloquence of self. Hence how general is the complaint of many of the minor towns of Scotland and America, where Banks established on the principles of your correspondent are in existence, that the discounts, of the Bank are made a job; and that no paper, however respectable its character, will be received because the director and his friends require for their own ends the full amount which the vaults will supply. Hence too the complaints which were made in 1826, against the Québec Bank, that the directors, from the accommodation they had secured to themselves had actually endangered the stability of the Institution, and rendered an entire change in its management indispensable. Hence too the angry murmurings which are whispered to every stranger who visits St. John, against the partiality of the directors, and the bitter insinuations in which the discontented indulge about the infinite care their Lords Paramount take

to render their official favours subservient to their private interests. If a Public Bank were founded and the directors were to pursue the same line of conduct, which has been adopted by those of Quebec and New Brunswick institutions; ( and what security have we that their conduct would be regulated by a higher or more stainless integrity?) can Antonio aver that its affairs will be managed with the same regard to the ultimate safety of the institution, as those of our present, or will he not acknowledge that accommodation is likely to be granted to a greater extent than prudence will warrant - that stoppages will in consequence both be more frequent and calamitous, - that the risk is fearfully increased, that with the bankruptcy of the establishment irretrievable ruin and poverty will involve the whole race of our pennyless speculators.

As to the second cause, which I have stated, viz. - the difficulty of redeeming their paper, the cost of importing gold and silver would prove as heavy a charge on the profits of a public, as a private Bank; and therefore, if a necessary prudence were observed; the directors of a public Institution would be as careful to restrain their issues and to limit their discounts, as are those of the present Association.

Mr. Editor, the evils of the present institution arise, according to this pink of Apostles, from the ignorant management of the Directors - from their being unacquainted forsooth "with the first principles of Banking". In a public institution of course no such deficiency would be found. From what class in our little world would its managers be selected? If from the Mercantile, I can assure Antonio, that the public generally believe that the Bank now number some of the shrewdest men who belong to that body - and if they approve such sorry drivellers as Antonio represented them to be, in a speculation in which they are so deeply interested, God help use for there is no prospect of a more scientific or profound knowledge of the principles of Banking being brought to direct and superintend the business of a public

*[Handwritten signature]*

~~4/4~~

establishment. Antonio may have supernatural power at his beck. He may be able, like Ovid, to summon to earth a new race, breath into their nostrils the breath of life, and inspire them with a spirit of that wonderful revelation with which he himself has been blessed. Then indeed our lot will be blessed !

Antonio talks loudly of the illiberality of the present company. There is nothing more easy than to deal in general causes. It requires but a little effrontery and a dash of the pend. There are one or two points in its management on which difference of opinion may fairly be entertained; but I ask your correspondent if he ever knew any institution which accommodated the payees of notes to so great a degree as to permit successive renewals of their paper, on paying one fifth of the amount? And in addition, how vast a convenience has been conferred upon Mercantile Community, by the mode in which the Company allow cash account to be kept. A safe place of deposit is here presented for money, it matters not how large the amount - and the owner is permitted to draw out the sum deposited, by draft, according as his convenience, or transactions may require. And of the sums thus consigned to their care, the Bank cannot make any use. They lie in the vaults waiting the orders of the "Inquisitorial" power which the present Company exercise. A man of unimpeachable credit, like one of unblemished reputation, cares not how much his transactions may be investigated or canvassed. It is only the defaulter - the person who trades beyond his means and is unable to meet his engagements - that needs fear the "Inquisitorial" power of any monied institution. But as far as my penetration leads, I cannot perceive in what way a public Bank, which, according to the reasoning of Antonio, is the panacea to all the evils which afflict us, will better the situation of those who smart so bitterly under the present inquisition. If the Directors use the knowledge which they thus acquire for their own purposes, they must nurse

*A. B. 107*

it in secret, for if once made public all the advantage would be lost. The facts acquired by the inquisition are thus confided to six or seven; these, by being acquainted with the circumstances of every man in the community, may manage their transactions with more caution and security. But if a Public Bank were once founded, this knowledge would be extended to twenty; each Director would whisper it to his friends, and the Speculator would soon find his credit vanish, and his situation blown. All the airy castles of fortune which he had been building, would vanish into "thin air". That which was before written in the Book of the seven seals, would appear in open noontide; and the pretender, puffed up into a foreign greatness by the appearance, without the reality of funds, would be withered down to helpless and irremediable poverty.

I confess Mr. Editor, that when the Banking Company first declared their intention to forbear discounting, and when I was smarting under the inconveniences to which it subjected us all, I cried out as bitterly as my neighbours. But since I have calmly reflected upon the subject, and viewed it in all its various lights, I am satisfied the Bank have been the slave - not the Master, of circumstances. They have been compelled to limit their issues, from a regard to their own safety, and from a desire to check that spirit of extravagant speculation which, fostered by their accommodation, was inducing many of our little traders, who are only safe behind their counters, to venture beyond their depth, and sail away upon the perilous sea of enterprise. These temporary stoppages have a wholesome and excellent tendency. They often ward off more alarming evils; and are a sure preventative against the general bankruptcy of our whole fry of petty Shopkeepers. Antonio, according to

*[Handwritten signature]*

the vulgar adage, may have felt the Shoe pinch; but he may be assured that while the 'Miller has water and wheat his children shant cry for bread', and while the merchant has credit and goods he will never feel the want of the ready. Dr. Franklin tells us in one of his letters that whenever you hear anyone complain of the rigidness of the Police, you may rest assured either that his crown has already been cracked by the Watchman's baton, or the vigilance of the Officer has stayed the execution of some dark deed. To this prosing Dr. Croke's motto is an appropriate and happy conclusion.

Qui capit ille facit.

I remain Your Obedient Servant.

MERCATOR.

THE NOVASCOTIAN

October 9, 1828

*Novascotian*  
*Oct. 1878*

*Defence of Halifax Bankings Co.*  
*"Mercator" 9/10/78*

~~For the Nova Scotian~~

Truth is struck out by collision.- Swift.

MR. EDITOR,  
 Mr. Editor,

Dr Johnstons remarks, in one of his Essays in the Rambler, that mankind are cursed with a singular disposition to find fault with everything as it exists, and to fasten their regard upon some imaginary object, as infinitely more perfect and estimable. It matters not how admirably any institution answers the purposes of its erection- how harmoniously a system accomplishes its ends,- or how prosperous and successful are the issues of an enterprise- mankind, actuated by some malicious motive, dwell upon their respective faults and imperfections- see some points in each which require amendment, and generally finish the review by recommending some untried scheme or project, to which their imagination has lent an engaging and blameless reality. If, however, the system which exists, does in truth possess faults (and what human project is without them)? this caviling

disposition is furnished with new motives for action; it lingers over these blemishes, unavoidable as they are, till an eager and angry *favour* ~~is~~ is enkindled- the zeal of the reformer is fired- and he proceeds by blind and relentless impulses to destroy, before he has calculated how he can ~~rebuild~~ *rebuild.*

I have been led, Mr Editor, into these remarks by the feeling lately aroused in this Community against the Halifax Banking Company, and especially by the letter of Antonio, which appeared ~~in~~ in a late ~~number~~ *number* of the Novascotian, as expressive of the sentiments of some small portion of our Mercantile men. The Bank is there represented as an Institution positively injurious to the Community- a hope is expressed that the late temporary interruption of their business would have ended in the dissolution of the Company; and the wish is openly announced that a Public Bank should be founded, to be conducted "on a more correct knowledge of first principles" more in accordance with similar establishments in older countries, and better suited to the peculiar *When* wants and necessities of this". ~~any~~ any individual appears before ~~the public~~ the public

~~12~~

the public in the character of a teacher, it is a duty incumbent on him, to have studied well the subject upon which he is to lecture, and to have examined, at least slightly, the influence and operation of any new project he may recommend. Although, Mr. Editor, I pretend not to place my sagacity and knowledge in comparison <sup>with</sup> those of your Correspondents, yet I am prepared to contend, after a diligent investigation of the subject as my penetration permits, that the present Banking Company has already been of infinite benefit to the community - that it is superior in many respects to a Public Bank- and that those temporary stoppages in its discounts, on which the changes have been so loudly rung, are not only advantageous, by restraining extravagant speculation, but would require to be as frequent (if not more so), although a Joint Stock Banking Company were established by the magic wave of Antonio's wand.

~~Wm. L. Garrison~~



The prime object of all Banking establishments is to increase <sup>activity</sup> the circulating medium, and to add to the amount and heighten the ~~acti~~ of trading capital. It is obvious, I think, that these two consequences <sup>S</sup> ~~as~~ will be promoted in a far higher degree by a private, than a Public Bank. The Association which at present exists in Halifax is composed of men with whom fortune has dealt with no niggardly hand. They had amassed capital to a larger amount than their business required, and had invested a part of it in British and American funds. Previous to the birth of this establishment, this money, so invested, was virtually <sup>lost</sup> ~~was~~ to the Province. It contributed in no degree to the prosperity of any one of its branches of its industry, and yielded only a scanty return of interest, which, ~~was~~ in most instances, never flowed back into the possession of its owner, but was allowed to accumulate and swell upon <sup>the</sup> ~~its~~ principal. True it still continued a part of the capital of our monied men- but to us it was dead and unproductive; and was benefitting a foreign state at the expense of our own. The establishment of a Bank, by opening a new field for the ~~employment~~

employment of capital, induced the partners to bring back a part of this wealth; and thus, by its accession, gave great depth and volume to the stream of general ~~prosperity~~ <sup>prosperity.</sup>

*Let us estimate,*

The position I have taken in the last paragraph admits, I think, of the most ample and lucid illustration, for instance, the Stock of the Bank at £60,000. As it is recognized as a principle, both in the Banking establishments of England and America, that the paper issued should never exceed three times the amount of capital invested, it may be stated that our Bank, if the ~~same~~ <sup>same</sup> principle be recognized by its stockholders, has added to the circulating medium or trading capital of the country the total of £240,000. As this sum is always in active employment, which may be inferred from the known fact, that the application for discounts invariably outruns the means of the Association; and if the returns from the capital in trade, be equal to 10 per cent. **It** is also clear that the establish-

ment will annually add to the income of the community about £24,000.

In what degree, Sir, would a public Bank, founded upon the principles which Antonio favours, contribute to the same results. If the capital is to be raised by general subscription, and no Individual is to be permitted to hold more than two shares, it is obvious, that these shares will not be owned exclusively by our capitalists, but, on the contrary, by the traders of the community. The whole capital stock of the Bank will thus be withdrawn from the capital already employed in the business, our foreign investments will remain unchanged and undiminished, and the actual increase of trading capital, and the profits accruing from it, will be curtailed exactly one

fourth. *Our merchants would be deprived of the use of capital to the amount of £608,000, and their profits or income would be lessened £6,000 per annum.*

Would, this loss, however, be counterbalanced by other advantages which are to be derived only from a public establishment?

*space* Would our trade be promoted by a more liberal system of discounts, - would fewer stoppages occur, and would that inquisitorial supervision over private affairs, of which Antonio so bitterly complains, and in

~~which every~~

~~2~~

every defaulter will most feelingly sympathize, be supplanted by a species of investigation more sparing and generous. To each of these questions I shall prepare a brief and I trust, a satisfactory reply.

Your correspondent, Mr. Editor, in the warmth of his zeal, puts forward some arguments which do not argue very favorably either for his shrewdness or consistency. The Bank is charged in one paragraph with pursuing their own interests with a blind and inflexible devotion; and in another with refusing to afford that accommodation to the community which its circumstances require. By what means and from what sources pray are the profits of a Bank derived? Does Antonio know of any other than the interest obtained from the amount of paper which it is able to force and to keep in circulation, or has his ingenuity discovered any other mode by which that paper can be introduced to the commercial market, than by the

discounting of Bills? If the Bank discount less paper, or in other words, afford less accommodation to the Public than the natural demand requires, the Partners make a direct sacrifice of their pecuniary interests. He is not a very wise Chevalier who in receiving a tilt, would inflict a mortal wound upon himself, that he might have the bootless glory of striking his adversary down. To raise this insinuation against the Bankers is to charge them with madness.

*may* Antonio chaunt 'Peccavi', for he may rest assured his reasoning is at fault. Let him study the subject in a more deliberate and searching mood, and he will discover that whenever any Bank, whether public or private, curtails the amount of its discounts, motives superior to those of immediate interest are respected. In doing so a sacrifice of pounds and shillings is actually made; and a Bank never resorts to a measure so perplexing and obnoxious to those who are trading beyond their means, or as is shrewdly said by our Yankee neighbours "riding on the wind," until their issues exceed that ratio to their capital which experience has discovered

~~to be safe~~

43

to be safe; or until they descry that they are lending their aid to speculations at once Quixotical and ruinous, but to contend that a Bank, ( and one too so ~~grossly~~ engrossingly selfish as Antonio represents ours to be) would throw <sup>any</sup> ~~any~~ impediments in the stream of promising enterprise, or refuse to give the community the capital its circumstances require, involves so palpable an absurdity, that few men would have had the hardihood to risk the reputation by its a assertion.

Does your correspondent, however, in sincerity mean to maintain that if a Public Bank were founded, no limits would be put to the amount of its ~~discounts~~ discounts, - that no temporary interruption would occur in the current of its business? If he means to take such a position he must be strangely unacquainted with the history of Banks in other countries. It would be useless, Mr. Editor, to recur to the numerous shocks which have been felt in the money-

market of England, during the last thirty years; for to refute the position which your correspondent has assumed, it is only necessary to refer to the occurrences of the last two years. How does Antonio account for the general stoppage which took place in the London Banks, during the Spring of 1826; and which extended its influence so widely as to ~~paralyze~~ <sup>paralyse</sup> the commerce of the United Kingdom. Were none of these conducted with "a correct knowledge of first principles?" Is he aware that in the month of February last, there was not a Bank which discounted in New York, save one- and that upon so limited a scale that a money-holder could purchase upon ~~charge~~ <sup>Charge</sup> the acceptances of the most respectable Houses in the city, at a discount of 1 to  $\frac{1}{2}$  per cent. per month. Did not the public Bank of St. John, for nearly three months last Summer, forbear discounting altogether; and how innumerable- how feelingly oratorical-are the complaints which we have seen in the papers of Quebec and Montreal. These stoppages in fact, are beyond the controul of any Bank in the Universe, and if Antonio and his supporters were to succeed in the plan they recommend, ~~and be voted~~

~~14~~

and be voted into the Presidency and Directory, by unanimous acclamation, a short experience would convince them that these checks would require to be even more frequent, in a public, than a private Institution.

They arise in fact from two causes: from an excess of speculation in the community; and secondedly, from the fear operating on the Managers of a Bank, of issuing paper to an amount, which, in case of a run, they might not be able to redeem. If it be admitted that these are the true causes from which they spring, it cannot be denied that both are as likely to control the transactions of a public, as of a private institution.

The instant a Bank is established in any mercantile town, an excess of speculation can be promoted and fostered only by a profuse and regardless system of discounting. This is seldom introduced



in a private institution, where the Directors are personally responsible for their transactions. The Managers know that their whole fortunes are at stake, and they direct the affairs of the Establishment with the same cautious and becoming prudence which they would bring to the management of their own individual transactions.

*copy*  
In a public establishment again feelings and views of a totally opposite cast influence the minds of the Directors. Elected as they are from the body of the Stockholders, their requisites for the situation are in the majority of cases thrown into the shade; and motives not of the most pure and blameless character influence their nomination. Party views, feelings of friendship, and the hope that in the event of such and such individuals being raised to the ~~post~~ post of honour and of trust, their paper would be received under kindlier auspices, would influence <sup>the</sup> majority. ~~Caesar and persons who~~ would ~~thus be selected, who might turn the influence of their situation to promote~~ Caesar's men would one and all acclaim for Caesar; and persons would thus be selected, who might turn the influence of the situation to promote the wishes of <sup>their</sup> ~~their~~ partizans more than

~~the~~

*then*  
of the Institution, ~~or~~ the credit of the community. Give and take would ~~there~~ become the argument of last resort. It is generally seen in the world that a person in such a situation, who will "his ear more readily incline" to the solicitations of his friends, will not be deaf to the eloquence of Self. Hence how general is the complaint in many of the minor towns of Scotland and America, where Banks established on the principles of your correspondent are in existence, that the discounts, of the Bank are made a job; and ~~there~~ <sup>that</sup> no paper, however respectable its character, will be received because the directors and his friends require for their own ~~needs~~ ends the full amount which the vaults will supply. Hence too the complaints which were made in 1826, against the Quebec Bank, that the directors, from *actually* the accommodation they had secured to themselves had ~~actually~~ endangered the stability of the Institution, and rendered an entire change in its management indispensable. Hence too the angry murmurings which are

whispered to every stranger who visits St. John, against the partiality of the directors, and the bitter <sup>in</sup>insults in which the discontented indulge about the infinite care their Lords Paramount take to render their official favours subservient to their private interests. If a Public Bank were founded and the directors were to pursue the same line of conduct, which has been adopted by those of <sup>the</sup>Quebec and New Brunswick institutions; (and what security have we that their conduct would be regulated by a higher or more stainless integrity?) can Antonio aver that its affairs will be managed with the same regard to the ultimate safety of the institution, as those of our present <sup>Banks</sup>, or will he not acknowledge <sup>1</sup> that accommodation is ~~likely~~ likely to be granted to a greater extent than <sup>prudence</sup> ~~prudence~~ will warrant - that stoppages will in consequence both be more frequent and calamitous, - that the risk is fearfully increased, that with the bankruptcy of the establishment irretrievable ruin and poverty will involve the whole race of our pennyless speculators .

As to the second cause, <sup>vis.</sup> which I have stated, <sup>1</sup> the difficulty of redeeming their paper, the cost of importing gold and silver would

~~proceeds~~

by

prove as heavy a charge on the profits of a public, as a private Bank; and therefore, if a necessary prudence were observed; the Directors of a public Institution would be as careful to restrain their issues and to limit their discounts, as are those of the present Association.

Mr. Editor, the evils of the present institution arise, according to this bank of Apostles, from the ignorant management of the Directors - "with <sup>the</sup> first principles of Banking." In a public institution of course no such <sup>deficiency</sup> ~~deficiency~~ would be found. From what class in our little world would its Managers be selected? If from the Mercantile, I can assure Antonio, that the public <sup>er</sup> generally believe that the Bank now number some of the shrewdest men who belong to that body- and if they <sup>approved</sup> ~~are~~ <sup>on</sup> ~~proved~~ such sorry drivellers as Antonio represents them to be, in a speculation in which they were so deeply interested, God help ~~them~~ us- for there is no prospect of a more <sup>scientific</sup> ~~scientific~~ or profound knowledge of the principles of Banking being brought to direct and superintend

from this being unacquainted with their being unacquainted forsooth

to

the business of a public establishment. Antonio may have supernatural power at his beck. He may be able, like Ovid, to summon to earth a new race, breath into their nostrils the breath of life, and inspire them with a <sup>spirit</sup> ~~spirit~~ of that wonderful revelation with which he himself has been ~~blessed~~ <sup>blessed</sup>. Then indeed our lot will be blessed!

Antonio talks loudly of the illiberality of the present company. There is nothing more easy than to deal in general ~~causes~~ <sup>causes</sup>. It requires but a little effrontery and ~~the~~ <sup>a</sup> dash of the pen. There are one or two points in its management on which difference of opinion may fairly be entertained; but I ask your correspondent if he ever knew any institution which accommodated the payers of notes to so great a degree as to permit successive renewals of their paper, on paying one fifth of the amount? And in addition, how <sup>vast a</sup> ~~a vast~~ convenience has been conferred upon ~~the~~ <sup>the</sup> Mercantile Community, by the mode in which the Company allow cash accounts to be kept. A safe place of deposit is here presented for money, it matters not how large the amount- and the owner is permitted to draw out the sum deposited, by drafts, according as his convenience, or transactions may require. And of the sums thus consigned to their care, the Bank cannot make any use. They lie in the vaults waiting the orders

of the "Inquisitorial" power which the present Company exercise. A man of unimpeachable credit, like one of unblemished reputation, cares ~~not~~ <sup>not</sup> how much ~~the~~ <sup>his</sup> transactions may be investigated or canvassed. It is only the defaulter- the person who trades beyond his means and is unable to meet his ~~engagement~~ engagements-that needs fear the "Inquisitorial" power of any monied institution. But as far as my penetration leads, I cannot perceive in what way a Public Bank, which, according to the reasoning of Antonio, is the panacea to all ~~evils~~ <sup>the</sup> evils which afflict us, will better the situation of those who smart so bitterly under the present inquisition. If the Directors use the knowledge which they thus acquire for their own purposes, they must nurse it in secret, for if once made public all the advantage would be lost. The facts acquired by the inquisition are thus confided to six or seven; these, by being acquainted with the circumstances of every man in the community, may manage their transactions

with ~~none~~<sup>some</sup> caution and security. But if a Public Bank were once founded, this knowledge would be extended to twenty; each Director would whisper it to his friends, and the Speculator would soon find his credit vanish, and his situation blown. All the airy castles of fortune which he had been building, would vanish into "thin air." That which was before written in the Book of the seven seals, would appear in open noontide; and the pretender, puffed up into a foreign greatness by the appearance, without the reality of funds, would be withered down to ~~hopeless~~ and irremediable poverty. *helpless*

I confess Mr. Editor, that when the Banking Company first declared their intention to forbear discounting, and when I was smarting under the inconveniences to which it subjected us all, I cried out as bitterly as my neighbours. But since I have calmly reflected upon the subject, and viewed it in all its various lights, I am satisfied the Bank have been the slave- not the Master, of circumstances. They have been compelled to limit their issues, from a regard to their own safety, and from a desire to check that spirit of extravagant speculation which, fostered by their accommodation, was inducing many of our little traders, who are only ~~safe behind~~

safe behind their counters, to venture beyond their depth, and sail away upon the perilous sea of enterprise. These temporary stoppages have a wholesome and excellent tendency. They often ward off more alarming evils; and are a sure preventative against the general bankruptcy of our whole fry of petty Shopkeepers. Antonio, according to the vulgar adage, may have felt the Shoe pinch; but he may be assured that while the 'Miller has water and wheat his children shant cry for bread', and while the merchant has credit and goods he will never feel the want of the Dr. Franklin tells us in one of his letters that whenever you hear anyone complain of the rigidity of the Police, you may rest assured either that his crown has already been cracked by the Watchman's baton, or the vigilance of the Officer has stayed some dark deed. To this prosing Dr. Croke's motto is an appropriate and happy conclusion.

Qui capit ille facit.

I remain Your Obedient Servant.

MERCATOR.

the execution of  
Octr. 2.

THE NOVASCOTIAN

~~October 8, 1828.~~

~~October 9, 1828.~~



"Antonio" Defends His Suggestion for the Formation of a Joint Stock Bank

*[Handwritten scribbles]*

*S. N. - S. - u*  
*attach on Halifax Bank*  
*- "Antonio"*

*1829*  
*23.05.*

I pretend not, Sir, to be very deeply versed in the Mysteries of Banking; the little knowledge which I flatter myself I may be allowed to possess, has been gleaned in various ways from different sources; but I assure you that none of it has been derived from the School in which your correspondent exhibits strong indications of having studied, and upon whose principles "Our Bank", as he styles it, seems to ~~have~~ have been modelled. His knowledge seems to be a pure emanation from a mind of no ordinary cast, and apparently imbibed at the feet of Gamaliel, rather than drawn from that body whom he has libelled by the signature which he has assumed. Neither, Sir, am I one who cares a straw about the stoppages or restraining of discounts of the Bank; my opinion is rather in favor of these at times than otherwise, when they do not proceed (as I contend for it was the case in a recent instance) from overtrading beyond its

Capital in a Bank itself. And here I should like to ask your correspondent, who seems so well versed in the business of the present establishment, in what part of the world its capital is to be found, or how it is employed? Does the whole or greater portion of it "sleep"? as is generally understood, in the British or Foreign funds, from whence<sup>ce</sup> it silently yields its stated returns, or is it actually engaged in the prosecution of their business? If the latter is the case I should like to ask him, if that unerring principle has been strictly adhered to, to which he alludes, of restraining their issue of paper in a ratio justly proportioned to the amount of their actual employed Capital, and which issue it is admitted on all hands, that such a Capital should and can legitimately sustain? If this rule, I say, had been strictly adhered to, would the present Bank have been so often reduced to the shifts we have seen, to refund their paper and to stop and restrain their discounts, from an absolute want and deficiency on their parts of the "needfull" as they have been so frequently under the necessity of submitting to? Why limit their discounts to r<sup>e</sup>sponsible names if they have, or rather will employ, the means ~~of doing a~~  
~~busin~~ ~~of~~

~~2~~

of doing a business commensurate with the legitimate claims of our Commercial community, in ~~the~~ facilitating the transaction of its "real", not nominal business?

Have they suffered, I would still further ask and, so severely and to such an extent from bad debts, as to compel them to go to the extremes of establishing here a rule for the first time heard of in the annals of Banking, that they will discount no paper to which at least two undoubted names are not attached; a merchant to submit to ~~wh~~ which in most countries, would give a virtual condemnation of his own credit? Are they alarmed at the consequences of their own imprudence? and fearing a reaction, are determined at all events to be prepared for the worst? I envy them not the task of drawing this ideal line betwixt the good and the bad, but I deplore the consequences which have already resulted, and as ~~it~~ <sup>it</sup> is still further likely to result, to the industrious man of small capital but good credit. Would your correspon-

dent's bank have dared to presume on such a step were there another one in existence here? I should think not, but they are at present beyond control, and a tame submission to this, serves but to show the absolute <sup>pros</sup> ~~pro~~stration of our Mercantile Community; be assured it savours more of the "Bond and Mortgage System" of franchising pecuniary matters, than one in which the benefit to be derived, if it is expected to continue, must be perfectly reciprocal.

Has not most of the business they have ever done been with a set of individuals, in renewing their notes by fifths, ad infinitum, and much of it with names with whom they ought never to have opened an account, to the exclusion of the Bona Fide business of the more respectable portion of this Community, to facilitate which is the true ~~end~~ end of Banking. Let your Correspondent answer these if he can, to the satisfaction of the public.

The merest driveller who ever sat on a high desk stool, with his grey goose quill, knows full well how the profits of a Bank must (or rather ought to) originate; and that in one conducted on the principle of issuing paper in a just and fair proportion to its ~~capital~~

Capital, actually employed and sunk in its business, the returns will be sure and certain, because the risk in this trade is infinitely less than in any other, but it is impossible that they should ever be extravagant.

I never charged the present Banking Company with ignorance, but inexperience, and have they not proved it? Nor with want of liberality, but the reverse (in their first outset)- an excess of it. They commenced the overtrading, so loudly complained of, themselves, and ~~even~~ encouraged it out of all reason in the manner alluded to above, (a hopeful importation from the American School) and the facility with which I have heard that they discounted paper, the representative of no real transaction, thus as much encouraging excessive speculation amongst our most respectable merchants, as amongst our equally industrious, but more humble "traders", to whom your correspondent takes

occasion more than once so contemptuously to allude. Lastly, Sir, my sole, and only motive for addressing you, was to bring under the public eye the consideration of a scheme for the formation of a Joint Stock Banking Company here, on the plan and principles of the Scottish Banks; ~~ingxCompanyxherex~~ a system which has stood the test of many years with scarcely an instance of a failure; a system which is fast gaining ground in those parts of England which are beyond the pale of Chartered Monop~~oly~~, and also in other countries; and which I cannot but think, with some slight adaptation to our local peculiarities, exceedingly applicable to this; and moreover one in which I would not myself hesitate (and I have heard many others declare the same) to take an interest.

I mean no attack on the present company, far less on any of the individuals composing it, for most of them I, in common with the community, at large, entertain the highest respect; long may they live to carry on Banking in their own way. "Our Bank" could not affect them, for as they confine themselves to a "Limited" business, to borrow your correspondent's vulgar adage, they can themselves always supply ~~a sufficiency~~

a sufficiency,

of "Grist to their own mill." I am, besides, an enemy to monopoly in any shape, and think with many others that, in a community constituted as this is, the public would be much better satisfied were there two Banks- or none.

Good night, Mr. Editor! I have gone further than I originally intended, but I have now done, Sixty summers<sup>s</sup> suns, and a few occasional twitches in my big toe, ( which I wish to heaven originated in nothing worse than the pinching of the shoe to which your correspondent so facetiously alludes) feelingly remind me that I ought to leave to younger and abler hands the prosecution of such matters as I am afraid I have been but very imperfectly discussing.

ANTONIO.

THE NOVASCOTIA OR COLONIAL HERALD.

October 22, 1828.

"Mercator" Questions the Wisdom of the Halifax Banking Co.'s Discounting Policy

*28*  
 The Novascotian  
 or  
 Colonial Herald.  
 1829.

p.9.

*Mercator - Protest against operations of Hal. Bk. Co.*  
*8/1/1829*  
 Halifax, January 8, 1829.

To the Editor of the NOVASCOTIAN,

SIR,

Through the medium of your paper I beg to call the attention of the Public to the Banking Company at present established in this Town.

Eight individuals have associated themselves together, and are putting into circulation a quantity of paper currency, without any control or check, as to the extent they may go; or guarantee to the community to keep deposited a proportionate Capital of Gold and Silver to their issue of notes; so that at any time a holder may realize the value the paper purports to represent.

Discounting small Bills, or Notes of Hand, (their present system,) is a very ungovernable and dangerous business; more especially while renewals are allowed. Every small Dealer,

*Trader*



Trader, and Mechanic, can get a small note endorsed, and extract into circulation the Bank Paper - Renewals, accommodation notes, and wind bills, with the whole series of shifts, consequent upon non-capitalists being forced or led into the note system, increases the evil, until at length the circulation becomes over-charged, a reflux ensues, a demand is made for the gold and silver, and a stop must be the consequence; deranging thereby the whole business of the town.

Their Small Note Steed runs away with them, as it were, and they know not the cause of his being so unmanageable.

Were they to confine their discounts to notes of large amounts only, they would find they had a better and more firm command of their charger. A man of small means could not get an endorser for a large sum, and none but what had property, would risk his name upon a note, except he saw his way clear, in providing for its payment in time.

If, by this mode, their business would become diminished, they would find they did a safer one, with more ~~satis-~~

~~faction~~

satisfaction to themselves and the public.

However, if we must have a Bank in this town, let it be a Joint Stock Chartered Company, under the inspection of a committee of the Provincial Legislature - let its issue be limited in the proportion to the capital deposited, and viewing ~~at~~ at the same time, the amount of the whole metallic currency in the place, so that as much would be kept outside the chest as in, to the end that a Bank note and the specie would be upon a par. The shares should be about £50 each, a committee of management chosen annually, &c. &c. &c.

Already I fear the existing Company have too much paper afloat, or why the difficulty of exchanging it for specie, even at a discount ; for the premium on the specie is a discount on the note?

It is a well established fact, that an excess of paper currency expels the metallic; and when it goes, the paper loses its value for the one (the metallic) is the substance, the other but the shadow. The consequences attendant

~~upon~~

upon the loss of our specie are a rise in the price of commodities and the necessaries of life - the premium of Exchange puffed up beyond its natural level; when industry is taxed, and the general prosperity of the Country retarded.

I know it is argued by many that the importations of Flour and Tea are the causes of locking up or driving away the precious metals. In answer to this, I beg leave to remark, that, true it is we have to pay for these articles with specie, and must do so as long as the population increases faster than the cultivation of the soil; but we have EXPORTS of something or other - or we could not purchase any thing from abroad. Our Exports will furnish us with such articles as our wants dictate, if left to their natural course; as specie is one of our indispensable wants the products of our labour will produce it in sufficient quantity to suit our purposes; but if we allow a machine to be erected to dam up the channel for the influx (which machine is the present Bank), gold and silver we can never expect to see come back to us,

~~when~~

---

when once it departs.

Your Obedt. Servant.

MERCATOR.

"Halifax" Defends the Discounting Policy of the Halifax Banking Co.

4  
 The Novascotian  
 or  
 Colonial Herald.  
 1829.

p.19.

*Reply to "Mercator" by "Halifax" - defence of H.B. Co.*  
*15/1/1829*  
 Halifax, January 15, 1829.

To the Editor of the Novascotian.


*1829*  
*15 Jan'y.*

SIR, - There appears to be a disposition in some quarters of this community, to find fault with the Banking Company, who have been doing business in it for the last two years. - Now, though I am willing to admit, that the most scrupulous watchfulness should be exercised over every institution that grows up among us, still I think at the same time, that fault should not be found with any one, merely because it exists, and for no other reason than that every man in the town is not wealthy enough to become a Banker. No one will be so hardy as to assert that the present Company has been of no service to the trade of the town; and if it has done some good, ought not more indulgence be shown to its imperfections and deficiencies, whether real or imaginary.

A writer in your Paper of the 9th, has certainly attacked the Bankers on a ground which I consider their strong

~~hold~~

hold of defence. The accommodations they from time to time, afford to men of small capital, but prudent habits and growing business. He forsooth would act on the maxim set forth in the Scripture, "that they who have much shall have more," and would confine the benefits to be derived from a Bank to a very few persons of large capital, and speculative dispositions, instead of permitting those, who, in the prosecution of their more limited, but less precarious occupations, may occasionally stand in need of assistance. Now, Sir, I think it will be admitted, that by prudent accommodations to the limited trader, instead of extravagant advances to the more wealthy, the Bank will not only consult the general wishes and interests of the Community, but their own security also - first, because the facilities will be more extensively felt - and secondly, because among the small Traders of the town, the Bank Notes pass from hand to hand, and the want of specie is not thereby increased; whereas those who get large Notes discounted, in most cases require specie to send out of the Province, to enable ~~them~~

  
them to carry on the operations of Foreign trade.

I should have no objections to see a Joint Stock Banking Company established, because the public invariably gain by opposition of all kinds - but surely if such an institution must be reared, there is no necessity for pulling down the present in order to raise the other on its ruins.

HALIFAX.

"Mercator" Comments Further on His Criticism of the Halifax Banking Co.'s  
Discounting Policy

~~22~~  
 The Novascotian  
 or  
 Colonial Herald,  
 1829.

p. 36.

~~Mercator - and letter on Hal. Bk. Co.~~  
 29/1/1829  
 Halifax, January 29, 1829.

To the Editor of the Novascotian.

SIR,

A writer, under the signature of Halifax, having replied to my former communication, I send you a few more remarks bearing on the subject. I have merely thrown them together, in the same loose way in which they occur to my mind.

The Banking Company, having no limit to the amount of the notes they discount, facilitate the extracting and circulating of their paper to an extent to which they can set no bounds. The evils of an over charged circulation of paper are too well known to need any comment. In all countries, where Banks exist, the proofs have been too many. With the best regulated establishments the public cannot be too much on their guard, for at times, over speculation will

~~occur~~

occur through the facilities Banks afford. Witness the results in Britain lately! By the means of small notes more paper can be put in circulation than with large. A man whose capital is but limited can pass away numberless small notes, when, were he to attempt to discount a large sum, he could find no indorser, and would be confined to his capital. The person that trades beyond his capital robs the man of property, for when the ~~bubble~~<sup>bubble</sup> bursts, it is he that suffers.

The effects of passing the notes of Shopkeepers, Grocers, and Mechanics, have been only to keep them continually pinched, - for they cannot now make a single purchase without giving a note payable at 3 months, and they have not time to turn their property, and ~~make~~<sup>make</sup> their collections before their notes come in upon them, which must be provided for, or their credit suffers; and, except, they can find a friend to support them, Bankruptcy will be the consequence. In this way do the 'prudent accommodations' of the Bank affect those persons who, heretofore, were doing well, when time was

~~given~~

given them to realize their property.

Wholesale dealers and general merchants sell to few, and their transactions are for large amounts. They can take notes, when retailers cannot, and they generally have no other dealings with the Bank than discounting the notes they take from others, and were they to deviate from this system, they do it upon convertible property - besides their notes out are far less in value than the means they have to meet them, whereas Shopkeepers, &c. have to obtain a credit above any means of their own they possess.

The transactions of capitalists are generally what may be termed real, and it is the interest of all Banking Companies, that their business should be of such a nature with the public, and the public's with them. Their paper should <sup>always</sup> ~~at any time~~ be in its value, real, and produce at any time the gold and silver it represents.

MERCATOR.



REVENUE AND APPROPRIATIONS ACTS 1829

a. The Title of the Foreign Imports Duty Act, 10 Geo. IV, Cap. 3

An Act for the further increase of the Revenue, by imposing a Duty upon Articles imported from Foreign Countries.

An Act to alter and continue the Acts now in force to provide for the support of His Majesty's Government in this Province, and for promoting its Agriculture, Commerce and Fisheries, by granting Duties of Impost on Wine, Brandy, Gin, Rum and other Distilled Spirituous Liquors, Molasses, Coffee and Brown Sugar.

797c  
The Title of the General Excise Duty Act, 10 Geo. IV, Cap. 5

An Act for the further increase of the Revenue of the Province,  
by continuing an Act of the General Assembly, for raising a Duty  
of Excise, and the Act for the continuing and amending thereof.

An Act to continue the Act more effectually to secure the payment of the Provincial Duties of Excise, and to prevent Frauds in the collection of the Provincial Revenue.

The Title of the Cranberry Island Light House Duty Act, 10 Geo. IV, Cap. 12

An Act to continue the several Acts relating to the Light-House on  
Cranberry Island, near the entrance of the Gut of Canso.

The Title of the Liverpool Light House Duty Act, 10 Geo. IV, Cap. 23

An Act to continue the several Acts respecting the Liverpool Light-  
House.

An Act to revive and continue the several Acts of the General Assembly,  
for raising a Revenue to repair the Roads throughout the Province, by  
laying a Duty on Persons hereafter to be Licensed to keep Public Houses  
or Shops, for the retail of Spirituous Liquors.

An Act for applying certain Monies therein mentioned, for the service of the year of Our Lord One Thousand Eight Hundred and Twenty-nine; and for appropriating such part of the Supplies granted in this Session of the General Assembly, as are not already appropriated by the Laws or Acts of the Province.



The Title of the Brown Sugar Duty Drawback Act, 10 Geo. IV. Cap. 7

An Act to continue the Acts for granting a Drawback of the Duties on  
Brown or Raw Sugar, used in the manufacture of Refined Sugars within  
the Province, and for regulating the mode of obtaining the same.

THE RATING OF DOUBLOONS IN N. S. 1829

a. Editorial Explaining the Basis of the \$16 Rating for Doubloons in N. S.

*Rating of the Doubloon - explanation  
of the basis of the \$16 rating*

Halifax, March 5, 1829.

The Novascotian  
or  
Colonial Herald.  
1829.

p. 75.

1829  
5 March

+ + + + +

+ + + + +

+ + + + +

We are then informed by 'Candour' that 'for many years the Doubloon passed current in the Province for 15½ Dollars, until the Merchants in Halifax trading to the West Indies, agreed to pass it for 16 Dollars, or £4 Provincial Paper,' from those and the subsequent remarks of this writer, I am led to infer that his residence among us is only of recent date, otherwise he would have afforded the public a more correct history of the Currency of the Province; it may be proper therefore to state for his information that not only 'the merchants in Halifax trading to the West Indies' but nearly the whole Mercantile Community agreed, ten years ago, to establish the value of the Doubloon at 16 Dollars; as will be seen by a document to which their signatures are affixed, which was deposited in the Treasurer's ~~office~~

~~ice~~

Office at the time, and I presume still remains there. The reasons for affixing this value to the Doubloon at that time, and continuing to pass it at the same rate at the present day, are admitted by all considerate men, to be most urgent and proper. As the Doubloon is known to pass Current at 16 Dollars in all our West India Colonies, and in most other places with which Trade is carried on from this Province, it appears but just that the Merchant who loses the homeward Freight of his Vessel should receive as much for the Doubloon taken in payment for his outward Cargo as he has to pay for it in another Colony. A second and not less powerful motive for this regulation is the great difficulty that would exist in retaining a sufficient amount of Specie for general purposes in this Province, were the value of the Doubloon reduced, as the inducement to import this description of Coin would in such case be materially lessened, a direct encouragement would be afforded to its Export, and the consequences resulting to our Trade and Revenue from such



a change would be more injuriously felt than is probably imagined by many who have not considered the subject in its different bearings.

+ + + + +

+ + + + +

+ + + + +

Quarterly Customs Returns; Doubloons Rated at £3.12.0 and £3.7.2 Sterling

Journals of Nova Scotia,  
1827-30.  
P.500.

~~Customs Returns~~

Saturday, 28th March, 1829.

~~1829~~

1829  
28 March


.....

THAT Quarterly Returns have been received from the Principal Officers of His Majesty's Customs, for Duties received by them from the 5th of January, 1828, to the 5th of January, 1829, amounting to £25,985 2s,  $0\frac{1}{2}$  Halifax Currency. That an Account Current has been received to same date, by which it appears, they have paid the Treasurer £10,985 16s 0d. Sterling, in Doubloons at £3 12s. and £4864 3s.6d. at £3 7s.2d. Sterling each, making the Sum as credited in his Account £18,000 Halifax Currency. The difference of Exchange in the latter Sum, leaves a gain to the Province of £388 13s.11d. They have retained in their hands, for the payment of Salaries and incidental Charges £4168 7s. 2  $\frac{3}{4}$  d. and £4938 5s 1  $\frac{3}{4}$ d. at the same rate, making a difference in the Exchange on the latter Sum of £394 11s.1d. The payments made for the Quarters ending the 5th October, 1828, and 5th January, 1829, in Doubloons at £3 7s. 2d Sterling. ~~The~~



~~1829~~

The balance of £73 13s. 8  $\frac{3}{4}$ d. Sterling, stated to be in the Chest, remains to be accounted for.

THE ACT,  ESTABLISHING A CUSTOMS HOUSE IN HALIFAX 1829

PROVINCIAL TREASURY NOTES 1829  
a. Loan Office and Treasury Note Accounts

*22/2/1830*

Journals of Nova Scotia,  
1827-30  
Pp. 587-8

Monday, 22<sup>d</sup> February, 1830

*P. 587*

Province Notes.

*1830  
22 Feb*

Amount of Notes in Circulation, the 31st December last	£39,027 10 0	
Delivered the Treasurer in lieu of defaced Notes, &c.	11,972 0 0	
Ditto out of Vote of Credit for £15,000 0 0	14,000 0 0	
	<u>64,999 10 0</u>	
Notes received and destroyed by the Committee	<u>11,000 0 0</u>	
Leaving in Circulation to 31st December last	<u>11,000 0 0</u>	<i>£53,999 10 0</i>
	<del>39,027 10 0</del>	

LOAN OFFICES.

King's County

Accounts have been received to the 31st December last, by which there appears to have been paid the Treasurer	£1282 4 7	
It appears by the Treasurer's Account, he has received but	1137 0 0	
Balance remaining due by the Commissioners	<u>£141 2 5</u>	
The Treasurer reports that he has received the sum of £145 4 7, since closing his Accounts,		286 7 0

Annapolis.

Accounts have been received to the 31st December last,  
by which there appears to have been received by the  
Commissioner, on account of Principal £561 13 2½

Ditto Interest 106 17 4½

---

£668 10 7

There appears to be due on account  
of Principal

959 7 2½

Ditto Ditto Interest

312 4 6

---

£1940 2 3½

It appears by the Treasurer's  
Account, he has received

618 16 4

---

1321 5 11½

The Commissioner reports that some of the Money, due on Mortgages,  
cannot be collected, unless the Lands are sold; and as Real Estate is  
estimated in the County, the Securities may be considered as good;  
a forced Sale might possibly produce a loss, which is rather improbable,  
as the Sums to be paid are small.

Legislative Proceedings on the Treasury Note Act 1829

Journals of Nova Scotia,  
1827-30

P. 537.

*Treasury Note Bill*  
*of 5,000,000*

*9/4/529*

Thursday, 9th April, 1829.

~~P. 537~~

*1829*  
*9 April*

.....  
On motion, the House resolved itself into a Committee of the whole House, on the further consideration of Ways and Means.

The Chairman reported from the Committee, that the Committee had considered the business to them referred, and had come to several Resolutions thereupon, which they had directed him to report to the House; and he read the same in his place, and afterwards delivered them in at the Clerk's Table, where they were read, and are as follow, viz.-

Resolved, That it be recommended to the House to provide Ways and Means for meeting the Appropriations for the Public Service, by an issue of Treasury Notes.

Resolved, That it be recommended to the House, that such

~~issue~~



~~P. 538~~ issue of Treasury Notes be made to an amount not exceeding, in the whole, the sum of Fifteen Thousand Pounds, beyond the sums authorized by the Act now in force for issuing Treasury Notes.

That the said Notes so to be issued be in Notes of Ten Shillings to the extent of £1000; in Notes of Twenty-five Shillings to the extent of £4000; and in Notes of Twenty Shillings to the extent of £10,000; and that the said several Notes be in all other respects issued under, and in conformity to the said Act now in force, and be delivered to the Treasurer, upon the Warrants of the Lieutenant-Governor, from time to time, to be granted therefor.

.....  
.....  
.....

*Mr. Stewart*  
*Proposed*

Mr. Stewart moved, that so much of the Report of the Committee as relates to the issue of £4,000 in Five Dollar Notes be not received by the House, and instead thereof, the said sum of £4,000 shall be issued in One Pound Notes, which being seconded

~~and~~

~~P. 537~~

and put, and the House dividing thereon, there appeared for the motion, fourteen; again<sup>st</sup> it, fourteen. So Mr. Speaker gave his casting vote in favor of the motion, and it passed in the affirmative.

Journals of Nova Scotia,  
1827-30  
Pp. 554-555

Treasury Note Issue.  
14/4/1829




Tuesday, 14th April, 1829.

P. 554

*the points the  
P. 554 in a  
table. in a separate  
copy.  
1829  
14 April*

On motion of Mr. Fairbanks, resolved, That a further Conference be asked with His Majesty's Council, relative to the Bill before the Council to authorise a further Issue of Treasury Notes.

Resolved, That the Committee of Conference be instructed to state, in conference, that this House cannot consent to make at present any Vote of Credit, or to authorise any Loan to the Province on Interest.

That the House are decidedly of opinion, that the credit of  the Treasury Notes in circulation, and  of those which  may be issued under that Bill, cannot be affected, when it is considered that the Public Debt, bearing Interest, has been so greatly reduced, and that the whole amount of Treasury Notes, hereafter to be in circulation, is limited



P. 554

to less than One Year's Revenue of the Province.

P. 555

That the House are nevertheless disposed to make the addition of a Funding Clause to the said Bill, as a further protection to the credit of those Notes, and to prevent the possibility of their depreciation.



## CAP. XLIII.

## An Act to authorise an additional Issue of Treasury Notes.

For Acts on  
this subject  
see 9, Geo. 4,  
C. 3.

Prepared by

**WHEREAS**, under an Act of the General Assembly of this Province, passed in the ninth year of His present Majesty's Reign, entitled, An Act for issuing Treasury Notes, and cancelling those now in circulation, the Lieutenant-Governor for the time being is authorised to appoint three Commissioners to issue Treasury Notes to an amount not exceeding Forty Thousand Pounds, and for other purposes in the said Act mentioned. *And whereas*, It has become necessary to make a further issue of Treasury Notes:

Notes for  
£15,000 to be  
issued

I. *Be it therefore enacted, by the Lieutenant-Governor, Council and Assembly*, That it shall and may be lawful for the Commissioners, appointed or to be appointed under the said Act, to issue Treasury Notes to an amount not exceeding Fifteen Thousand Pounds, so that the whole amount of Treasury Notes at any one time in circulation under the said Act, and the present Act, shall not exceed in the whole Fifty-five Thousand Pounds.

£1000 in 10s.  
44,000 in 20s.

II. *And be it further enacted*, That of the Notes hereby authorised to be issued the sum of One Thousand Pounds shall be in Notes of Ten Shillings each, and the sum of Fourteen Thousand Pounds shall be in Notes of Twenty Shillings each; and all the said Notes shall be made, indented, signed, countersigned, dated and delivered, and be in such form, figures and words, as in and by the said Act is directed, in respect to the Notes to be issued under the same.

Treasurer to  
be accountable  
and Notes to  
be redeemable  
&c. as in 9,  
Geo. 4, C. 3.

III. *And be it further enacted*, That the Treasurer of the Province shall be accountable for the Notes delivered to him under this Act, and the same notes shall be redeemable, and be paid or cancelled in such and the like manner as by the said Act is directed, with respect to the Notes to be issued under the same; and all the clauses, sections, provisions, penalties and forfeitures in the said Act contained, shall extend to all Notes to be issued under the authority of this present Act.

REVENUE AND APPROPRIATION ACTS 1830

a. The Title of the Cranberry Island Light House Duty Act, 11 Geo. IV. Cap. 12

An Act to continue the several Acts relating to the Light-House  
erected on Cranberry Island near the entrance of the Gut of Canso.

The Title of the Liverpool Light House Duty Act, 11 Geo. IV. Cap. 22

An Act to continue the several Acts respecting the Liverpool  
Light-House.

An Act to continue the Act more effectually to secure the payment of the Provincial Duties of Excise, and to prevent Frauds in the collection of the Provincial Revenue.

801d  
The Title of the General Excise Duty Act, 11 Geo. IV, Cap. 25

An Act for the further increase of the Revenue of the Province, by continuing an Act of the General Assembly, for raising a Duty of Excise, and the Act for the continuing and amending thereof.

An Act to continue the several Acts of the General Assembly for raising a Revenue to repair the Roads throughout the Province, by laying a Duty on Persons hereafter to be Licensed to keep Public Houses or Shops for the retail of Spirituous Liquors.



The Title of the Foreign Imports Duty Act, 11 Geo. IV, Cap. 27

An Act to continue the Act for the further increase of the Revenue,  
by imposing a Duty upon Articles imported from Foreign Countries.

801g  
The Title of the Brown Sugar Duty Drawback Act, 11 Geo. IV. Cap. 23

An Act to continue the Acts for granting a Drawback of the Duties on  
Brown or Raw Sugar, used in the Manufacture of Refined Sugars within  
the Province and for regulating the mode of obtaining the same.

~~W. M.~~  
 Captain W. Moorsom, Letters from Nova Scotia com-  
prising Sketches of a Young Country, London,  
 1830, pp. 86-88, 291-292.

.....

The settler in a young country, although he be "dives equum", is never "dives auri:" the small quantity of hard cash that passes through his hands from one year's end to the other, is scarce credible by those who inhabit an old country overflowing with capital. Witness the early stages of any one of the American republics; where we see numerous armies formed and supplied, yet serving either without pay, or paid scantily by the most ruinous contrivances of an impotent system of finance.

The state of trade between the province and other countries is such, that every hard dollar which may have been realized in the fisheries or mines, eventually finds its way

to the States or England, in payment of flour or manufactured goods. The coins current in various parts of the province are doubloons and their fractions, chiefly of the South American republics; and in Halifax, occasionally, a British sovereign; Spanish and American dollars and their fractions, and British silver; and, in the eastern parts, every description of English and Irish tokens, and French silver, passes at a higher nominal rate than that at which it is received elsewhere.

Paper from the provincial Bank is in circulation, to the amount of nearly forty thousand pounds at present, and is limited by statute. Old British and Colonial copper coins complete this medley; which, as long as we remain within the province, offers little inconvenience; but, when we go beyond its limits, we find this piece will not pass here; that piece is only of such a value there; and the Bank paper must be changed at a discount, to the great annoyance of all unprepared travellers. The Imperial Government has, at different times, sent out

~~British~~

British silver, to facilitate the payment of the troops; but this silver performs a march of circulation no farther than from the Commissaries' chest to the troops, (with whom its halt is marvellously short,) thence to the retail merchant of Halifax, and back again to the commissary, in lieu of bills of exchange for mercantile remittances to England.\* The effects of this scarcity of cash are not apparent in the capital, or in those parts of the country frequented by persons of property; but, go into the country towns, which serve as so many nuclei for the settlers in the wilderness around, and you will there find the

---

\* The Legislature has recently given a standard value to the British shilling and sixpence, which has the effect of circulating these coins beyond the precincts of Halifax: previously to this measure, their value was not legally established. The rate of exchange between Nova Scotia and Great Britain is one-ninth in favour of the latter. The premium upon bills is variable; but a bill on England, drawn at Halifax, in colonial currency, usually produces an addition of one-fourth upon the pound sterling.

most extraordinary systems of barter and exchange; regular scales established for the different modifications of mixed payment in cash and goods; while the person who produces the former without delay or subterfuge, is looked upon as a prodigy of affluence and generosity.

. . . . .

[Liverpool, N.S.]

During the last American war, a few successful privateering cruises made Spanish dollars roll along the streets, crying, "Come, pick me up." Such a thing as hard cash is now seldom met with. Two scales of value, the "cash price" and "goods price," are established, and the various gradations thereof distinctly marked in all transactions between employers and labourers. In the summer of 1828, the wages of a coloured man as labourer, - on <sup>the</sup> wharfs, for instance, were three shillings per diem, cash, or four shillings in goods, his keep, i.e. two meals and half-a-pint



of rum. White labour was rather higher; but almost all the whites being either artizans or sailors, men of colour are the usual employes for all common kinds of work.

CONTENTS OF THE PROVINCIAL TREASURY NOV. 1830~~PUBLIC RECORDS OF NOVA SCOTIA~~~~MANUSCRIPT DOCUMENTS~~~~1829 - 1830~~~~Vol. 236.~~~~Vol. 236, No. 95~~

By His Excellency Lieutenant-General

SIR FRANKLIN MANTON ,

K.C.B. Lieutenant-Governor and

Commander in Chief, in and over

His Majesty's Province of Nova Scotia,

&amp;c, &amp;c, &amp;c.

Transmitted

To  
The Honorable Enos Collins, Chairman of the Committee  
of His Majesty's Council ;

To  
William Lawson Esquire, Chairman of the Committee of the  
House of Assembly :-

To  
Joseph Allison of Halifax Esquire

Greeting

1830  
25 Nov.

.....

To His Excellency Sir Peregrine  
Maitland K.C.B. &c, &c,

In compliance with your Excellency's Commission  
to us directed we proceeded on the morning of the 24th Instant  
at twelve o'Clock in the Office of the Treasurer of the Province  
when was submitted for our inspection Gold Silver and Paper  
Currency on counting over of which we found to be as follows .

In Doubloons and parts thereof .	£15,265-0- 0
Province Paper	11,000-0- 0
Bank ditto	1,000-0- 0
Silver Change	9- 0
	<hr/>
	£27,265, 9- 0
	<hr/>
	<hr/>

*Examd  
by Amicus  
L. D. Grant*

Say Twenty seven thousand two hundred and sixty five  
pounds, nine shillings of the Currency of this Province.

And we do report the same as being correct, Enos Collins  
Halifax 25th Nov, 1830. Joseph Allison, William Lawson



"HUMBLE TRADER" CLAIMS THE FAIR RATE OF PISTAREENS SHOULD BE  
9s. OR 10s.

[Aug. 26, 1830]

Mr. Editor,

In Mr. Munro's paper, of Monday last, 'Fair Play' asks information on the subject of such a bustle amongst the community in refusing to take pistareen shillings, at their usual value of twelve pence currency. I, being one of the small traders, will give 'Fair Play' my opinion. First, it is fair play I want, but I must say, that if the traders of Halifax give their consent to receive that coin at more value than 10d. it will open a field for imposition; for I am already informed, that we have four Mercantile houses here, who have been in the habit of importing the article now in question, and that they have obtained much, and can obtain any quantity of the said coin, at 9d. currency, each. Now if they are allowed to be vended for one shilling each, and more are brought into market than is required, would that be fair play? I say not - and particularly, when they have diminished in value in the neighboring Provinces, and in the United States. Recollect, Sir, and be it known to 'Fair Play', the state that Halifax was in some time ago, with the copper market, and ask 'Fair Play', to let those Gentlemen vend their surplus silver at the fair rate of nine or ten pence each, and then this will be fair play, and put us on an equal footing; we are all brethren, and why should one be advanced at the expense of others. Give this a place in your paper, and oblige.

An Humble Trader.

Dock-Yard Street, Aug. 24, 1830

## PROVINCIAL TREASURY NOTES 1830

a. Council Cautions House About Increasing the Circulation of Treasury Notes

In reply to that part of the Message of the House of Assembly which refers to the heavy funded and floating Debt due by this Province, H. M. Council can safely say that the Debt would have been much larger and more oppressive if H. M. Council had not frequently interfered to check the lavish expenditures of the House of Assembly, although many Votes of the last Session were rejected by the Council, the expenditure, authorized by the House, and which principally originated with them, so far exceeded the contemplated resources of the Province, that the House proposed an Issue of £ 15, 000 of Paper to which the Council most reluctantly assented. This large sum was thus added to the floating debt of the Province, and the Paper Money forced upon the Public by the Legislature was increased.

His Majesty's Council are of opinion that this is a very hazardous experiment - they are apprehensive that the Provincial Paper may even now be considered in a state of depreciation, as Four One Pound Notes must be given in exchange for a Doubloon; thus giving to the Doubloon a nominal value at which it will not be received, either by the Custom-House, in payment of Duties, nor by the Commissary-General for the purchase of Bills of Exchange.

*Authorize issue of new notes in replacement of old  
worn out and by the denomination of £5 up to the  
total sum of £5000*

1830

*Date could be ascertained approximately from  
the journals*

NOVA SCOTIA LAWS,  
Volume No 4, 1827-35  
Cap. IX.  
Pp. 82-83

CAP. IX.

An Act in amendment of the several Acts, now in force,  
relative to the Issuing of Treasury Notes.

P. 82 BE it enacted, by the President, Council and Assembly, That, when  
and so often after the passing of this Act, as any Treasury Notes  
issued or to be issued, under and by virtue of the Act, passed in  
the ninth year of His present Majesty's Reign, entitled, An Act for  
Issuing Treasury Notes, and Cancelling those now in Circulation; and  
also, under and by virtue of an Act, passed in the last Session  
of the General Assembly, entitled, An Act to authorize an additional  
issue of Treasury Notes, shall be paid into the Treasury, which shall  
P. 83 be torn and defaced, and unfit to be again issued, it shall and may be  
lawful for the Governor, Lieutenant-Governor, or Commander in Chief  
for the time being, by Warrant under his Hand and Seal, to autho-  
rise and require the Commissioners, appointed for issuing Treasury No-  
tes, under the Acts herein before mentioned, to issue new Notes, from  
time to time,

to

~~P.88~~ to an amount equal in value to the amount of the Notes so torn and defaced, and unfit to be issued as aforesaid, and to deliver such new Notes to the Treasurer, in lieu of the said torn and defaced Notes; and the said Commissioners shall receive from the Treasurer the said torn and defaced Notes, so unfit to be again issued, and shall cancel the same in the usual manner.

And whereas Notes of a larger denomination than those of One Pound are often required for the convenience and dispatch of the public business:

II. Be it therefore further enacted, That it shall and may be lawful for the said Commissioners, in lieu of the said torn and defaced Treasury Notes, from time to time, when required and authorized by the Warrant of the Governor, Lieutenant-Governor or Commander in Chief for the time being, to issue, and deliver to the Treasurer, Notes of the value of Five Pounds each, to the amount in the whole of Five Thousand Pounds, and no more.

---

PURPORTED ROBBERY OF THE HALIFAX BANKING CO.

*W. H. H. H.*  
*Probably unreliable but more or less local color.*  
*1830*

Journal Of The Canadian Bankers' Association.  
 Vol. XV. - 1907-1908.

pp. 176-179.

## AN OLD-TIME BANK ROBBERY EXPLAINED.

By

PERCY ST. CLAIR HAMILTON.

SOMEWHERE in the early days of the first bank established in Nova Scotia (or "Novascotia," as they called it at that time) there occurred the only successful bank burglary which ever happened in that province. For various reasons very little was ever made public about the affair, no arrests were made, and the present story - over sixty years later - is the first published explanation of how it was done.

Away back in the early forties the private banking house of Cogswell & Co. still continued to do a large business in

~~Halifax~~

Halifax, although the recently incorporated Bank of Nova Scotia was looked upon as the saviour of the people from the "grasp of a monopoly." The firm of Cogswell & Co. was composed of some half dozen or so of wealthy men. Their bank had no charter, but they issued notes redeemable in gold or silver or province paper, just as they saw fit. In other words, the bankers and their customers decided how the notes should be redeemed. Exactly how much actual money they had on hand to make their notes good was a matter only known to the firm and their officials. There was no awkward Banking Act, demanding that the public should be taken into confidence in such matters, at that time. Still it was believed that in the strong room of the bank were stores of gold which would make Aladdin's cache look like a cheap chop house. People held their breath as they passed the bank and whispered in awe struck way of the vastness of the treasure in there. All this helped to establish public confidence in the notes issued by Cogswell & Co., without, what sporty

~~people~~

people would call, any "show down."

One morning the community received a shock. There was a rumour that the bank had been robbed. A number of bags of coin, bearing the name of the banking house, had been found behind a pile of stones on a wharf on Upper Water Street, and several more bags had been dropped behind the shutter of a shop further up in the same neighbourhood. It looked as though the thief had taken away more than he could carry. It was surmised that the culprit had taken the Cunard line steamer for England, as it had sailed during the night. There were no railways then and this was practically the only possible means of escape. Of course there was no such thing as trans-atlantic cable then, and nothing could be done.

The care of the city at night at that time was entrusted to a few harmless old chaps called night watchmen, distinct from the day policemen. Their chief occupation was to potter about the streets armed with two rattles. One was of wood, and this ~~they~~

they sounded at intervals of each hour at specified corners, following the din by announcing in a loud, melancholy voice, "Eleven o'clock! All's we-e-ell-ell!" varying the hour, of course, as it came round. This had the advantage of conveying such information to those who were awakened by it as is now handed out by striking clocks. It also served the purpose of the modern tell-tale clock, as it showed that the crier was awake and going over his 'beat. The other rattle was of iron, a more terrifying affair, and was used to arouse the citizens to a fire. The "bloods" of the time, returning from having dined over well, used to amuse themselves by catching one of the old watchmen (generally discharged soldiers), taking his rattles away from him and imprisoning him by turning over him a sentry box, similar to the military sentry box, such as were placed at intervals through the city to afford shelter to the old chaps when it rained or snowed.

It will thus be seen that, with such a system of ~~guard-~~

~~ianship~~



guardianship, it would not be very difficult for a burglary to be committed, and people depended more upon strong doors and iron barred windows than upon the protection of the watch. The Cogswell Bank, afterwards the home of the Halifax Banking Company, was a strong, prison-like grey stone fortress at the head of a wharf. It had not been forced, but the door had simply been unlocked, and the vault opened in the same way, with a key. Yet the keys of the bank were in the custody of the usual bank officials - not very numerous - and nobody was missing. Whatever investigation was made was a private one, the results of which the members of the firm kept to themselves. They declined to ask for or accept police help, and refused any information as to the extent of their loss. They continued to do business as if nothing had happened, and, as they seemed to have all the cash necessary to meet demands, confidence was not impaired and the matter was soon forgotten.

Many years after, in the latter seventies, the sequel

was told, when the late Garret Cotter was a staid and elderly man, the City Marshal (Chief of Police) of Halifax. He was walking one winter afternoon out near what is now the public gardens. Some boys were skating in the place then known as Griffin's Pond. Cotter stopped to look on at the sport, when another old man, evidently a stranger, came along, stopped beside Cotter and entered into conversation with him. The visitor's accent pronounced him an Englishman. In a few minutes each told the other who he was. The stranger was merely passing through, but he told Cotter that at one time he had been a guard in an English penitentiary. This led to comparing notes about crime and criminals, and the stranger enquired if there had not been a bank robbed in Halifax at one time. The famous robbery of the Bank of Nova Scotia during the progress of Barnum's circus parade, was then but a year or two old, and Cotter told him of that.

No, that could not be the one; it must have been many ~~years~~

that twice he had to get clear of some of it. He got away safely, but when he came to count his money he almost fell dead with mortification. Whether there really was any gold in the strong room or not he could not tell, but he found that what he had with him was entirely silver, and instead of being thousands as he had hoped, he only had a hundred dollars or so as a reward for months of work and two trips across the Atlantic.

The stranger's story exactly fitted in with the circumstances as Mr. Cotter remembered them.

"Was it not possible that the stranger was the old-time robber himself?" I asked, after the venerable City Marshal, in a reminiscent mood, told me the story one evening.

"I don't think so," replied Mr. Cotter. "We walked down town together that afternoon, and I saw a good deal of him during the day or two he was in the city. He showed me his pension or discharge papers from the penitentiary, proving that he had been an official there for many years."

---

REVENUE AND APPROPRIATION ACTS 1830-1831

a. The Title of the Liquor, Molasses, Coffee and Brown Sugar Duty Act, 1 Wm. IV, Cap. 2

An Act for granting to His Majesty certain Duties of Impost on Wine, Brandy, Gin, Rum and other Distilled Spirituous Liquors and Brown Sugar, for the support of His Majesty's Government, and for promoting the Agriculture, Commerce and Fisheries, of this Province.

An Act to continue the several Acts of the General Assembly for raising a Revenue to repair the Roads throughout the Province, by laying a Duty on Persons hereafter to be Licensed to keep Public Houses or Shops, for the retail of Spirituous Liquors.

The Title of the Licence Duty Act, 1 Wm. IV, Cap. 11

An Act for raising an additional Duty on Persons hereafter to be  
Licensed to keep Public Houses or Shops.

807d

The Title of the General Excise Duty Act, 1 Wm. IV, Cap.13

An Act to continue the Act of the General Assembly, for raising  
a Duty of Excise, and the Act for continuing and amending thereof.

An Act to continue the Act more effectually to secure the payment of the Provincial Duties of Excise, and to prevent Frauds in the collection in of the Provincial Revenue.



The Title of the Foreign Imports Duty Act, 1 Wm. IV, Cap. 21

An Act to continue the Act for the further increase of the Revenue,  
by imposing a duty upon Articles imported from Foreign Countries.

An Act for applying certain Monies, therein mentioned, for the service of the year of Our Lord, One Thousand Eight Hundred and Thirty and for other Services therein specified.

The Title of the Appropriations Act 1831, 1 Wm. IV, Cap. 3

An Act for applying certain Monies therein mentioned for the Service of the Year of Our Lord One Thousand Eight Hundred and Thirty-one; and for appropriating such part of the Supplies, granted in this Session of the General Assembly, as are not already appropriated by the Laws or Acts of the Province.

The Title of the Brown Sugar Duty Drawback Act, 1 Wm. IV, Cap. 22

An Act to continue the Acts for granting a Drawback of the Duties  
on Brown or Raw Sugar, used in the Manufacture of Refined Sugars  
within the Province and for regulating the mode of obtaining the same.

THE COPPER CURRENCY SHORTAGE AND THE PROCUREMENT OF ADDITIONAL PROVINCIALTOKENSa. Halfpence Scarce Carried off to the U.S. to Pass for Cents*Because They Are*

The Novascotian  
or  
Colonial Herald.  
1831.

Halifax, June 15, 1831.

p.190.

HALFPENCE.- We have recently heard complaints from a great many Merchants and Retailers, of the scarcity of Halfpence; indeed their circulation is so much diminished, that it is almost impossible to get change for a quarter dollar, without calling at twenty shops. Our neighbours, the Americans, have long been blamed for carrying off our specie - but we certainly never suspected our coppers were to flow off in the same channel through which our gold and silver has departed. But so it is - the weight of our Halfpence enables the Americans to pass them in the States for cents - thus making about 5 per cent. clear profit. The best way to remedy this evil, will be for the authorities here to import Halfpence of less intrinsic value, so that they may offer no temptation to the exporter.

1831

15 June

778

"Z" Suggests that Merchants to be Allowed to Issue Copper Tokens

"Z"  
3

*[Handwritten signature]*

The Novascotian  
or  
Colonial Herald.  
1831.

Halifax, July 27, 1831.

p. 234.

FOR THE NOVASCOTIAN

COPPER CHANGE

1831  
27 July

SIR,

The scarcity of Copper change having gone the rounds of our Papers, without even a suggestion to remedy the fruits of the evil, I would propose that those of our merchants, now resident in Halifax, who, at the time they imported half-penny tokens, were not ashamed to have their names thereon, be (by special permission), allowed to re-issue to a certain extent; and for the better security of the Public, let none be put in circulation but those having the name of some resident merchant thereon; who ought also to give to the Treasurer of the Province a Declaration of the amount he has on hand, or intends to put in circulation;

~~likewise~~

likewise security, by Bond or otherwise, that he will, on the arrival of a supply of Provincial Copper Coin, by public advertisement, again call them in and cease the re-issue.

Although such a measure may be in opposition to a law made to prevent the introduction of such trash ~~as~~ the Flying Angels, General ~~Brook~~, and others of the same value, yet that law was not general in its operations, or why are the Magdalen Island penny-pieces in circulation to the present day? I presume, because the Agent of Sir Isaac Coffin stated he was ready to redeem them when presented; and what injury have the Public suffered? none - but even accommodation to the extent of the amount in circulation. If I am correct in naming the Importers<sup>of</sup> Copper Tokens, I should state John Brown, of John A. Barry; W.A. & S. Black, redeemed by Mr. W. Black; the late firm of Starr & Shannon, redeemed by Mr. Shannon; the late firm of Carritt & Alport, redeemed by Mr. Carritt; and probably some others. The Americans having taken a fancy to our provincial coppers, the scarcity of change will increase.

Having introduced the subject, I hope it will be taken up by the proper authorities, and such temporary relief afforded, as the nature of the case requires.

Remedy For Small Change Shortage Requested

MANUSCRIPT DOCUMENTS

HOUSE OF ASSEMBLY OF NOVA SCOTIA

1832 - 1833 .

Vol. 311. Doc. No. 4.

To the Honorable the House of Assembly for the  
Province of Nova Scotia.

The Memorial of the Grand Inquest of the  
County of Halifax;

Humbly Sheweth ;

That the scarcity of Copper Change has for some  
time past been productive of great inconvenience to the Population of the  
Province , and particularly to those engaged in the Trade and General  
Business of the Town of Halifax.

That this scarcity subjects the Merchant to much  
trouble and loss of time in the payment of laborers ; that those engaged  
in the Retail Trade suffer by it in every transaction - while the Poor,  
and those whose supplies are purchased with small sums from day to day, are  
often subjected to a loss of time that materially diminishes their little

~~MANUSCRIPT DOCUMENTS, VOL. 311-DOC. NO. 4.~~

earnings. - The Farmers, from the interior, also feel the inconveniences  
occasioned by this scarcity to a degree that makes the sale of their produce  
often troublesome and vexatious.

Your Memorialists therefore feel it their duty to bring the subject  
to the notice of your honorable Body confident that your wisdom will promptly  
provide a remedy for an evil that is daily becoming a more onerous burthen to  
the community - and Your Memorialists will ever pray : -

Halifax N. S. 20th January 1832.

Henry. Lockyer

Forman .

1832  
20 Jan.

*Handwritten signature*



Petition to House Asking for Copper Coinage

*Scarcity of Copper Coin 27/1/1832*

Journals of Assembly.  
N.S. 1830-36.

p.139.

Friday, 27th January, 1832.

.....

A Petition of the Grand Inquest of the County of Halifax, was presented by Mr. Deblois, and read, praying that legislative measures may be adopted to remedy the inconvenience sustained in the Town of Halifax, and other parts of the Province from the great scarcity of Copper Coin; and thereupon,

*1832  
27 Jan*

p.140.

On motion, resolved, that the Petition be referred to Mr. Deblois, Mr. Bliss and Mr. Lawson, to examine and report thereon to this House by Bill or otherwise.

.....

785a

Legislature Resolves to Provide Copper Pence and Halfpence

N.S. JOURNAL  
1830-1836.

p. 158

Monday, 6th February, 1832.

.....

Mr. Deblois reported from the Committee on the Petition of the Grand Inquest of the County of Halifax, relative to the inconvenience sustained from a scarcity of Copper-Coin, that the Committee had directed him to present to the House, two Resolutions, which he read in his place, and afterwards delivered them in at the Clerk's Table, where they were read and are as follow, viz.

Resolved, That it will be highly beneficial to the Interests of the whole Province, that Copper Tokens should be provided at the expence of the Province, for the purpose of supplying the present deficiency of small change.

Resolved, That the Treasurer of the Province, together with the Commissioners, for signing Provincial Notes, be authorised to obtain such Copper Tokens consisting of Pence and Half Pence, to an amount not exceeding £ 2,500: which Copper Tokens shall be of the real value at which they shall be made current, deducting only the expence of the Coinage and other incidental expences from the standard weight of each, and shall be issued from the Treasury of the Province by Warrant from His Excellency

1832  
6 Feb 4

the Lieutenant Governor or Commander in Chief for the time being, in payments to be made from the Treasury, and shall be received and taken in payment of Provincial Duties at the several Offices of Impost and Excise.

Mr. Deblois moved that the resolutions be adopted and agreed to by the House, which, being seconded and put, passed in the affirmative.

Ordered, That the foregoing Resolutions be sent to the Council for concurrence.

*1832*

~~PUBLIC RECORDS OF NOVA SCOTIA~~  
Arrangements for Payment for the Copper Tokens  
~~MANUSCRIPT DOCUMENTS~~

~~Vol. 237~~

~~1832-1833.~~

~~Document No. 52~~

*1832-  
14 Nov*

Treasurers Office

Halifax 14th Nov'r 1832

Gentlemen

Whatever assurance you may have given Messrs. Waters & Swainson of the immediate payment of the Copper Coin for the Province, I made none ~~now~~ knowing the difficulty there would be in disposing of it after its arrival.

I have now their Bills to the amount of what has been paid from the Treasury - the remainder will be forwarded when I have funds for that purpose.

I am quite satisfied the House of Assembly will justify the course I am adopting rather than ~~to~~ place the Warrants at an Interest by withdrawing money purposely intended for them -

The Interest will of course be paid the House in

Liverpool upon the delay thus unavoidably made.

I have the honor to be

Gentlemen

Your Obed Servant

Charles W. Wallace.

*Approved*

The Treasurer is accountable for Balance reported  
last year £.710 1 9

He has remitted to Liverpool, and not  
charged in his account, the sum of £.1077 1 8

He has received, and not  
credited in his Account, £1,215 5  
and paid this sum not  
charged in Do. 933 9 6

281 15 6

991 17 3

---

Monday 7 March 1825

## Public Bank.

A very numerous and highly respectable Meeting of Merchants and other Gentlemen was held at the Exchange Coffee House, on Saturday the 31st Dec., agreeably to previous Notice given in the Public Papers, when William Lawson, Esq. having been called to the Chair, the propriety of the Establishment of a Public Bank was fully considered and its general principles discussed and settled.

The following Resolutions were proposed and unanimously adopted.

1. Resolved, That the experience of all Countries has proved the extensive benefits derived by the Community from Banking Institutions when properly conducted, and that it is the opinion of this Meeting such an Establishment, at Halifax, will be highly advantageous to the Trade, Commerce, Industry, and resources, of this Province, and otherwise promote its general interests.
2. Resolved, That the benefits resulting from such an Establishment will be much extended by opening it to general subscription, and admitting the public, at large, to partake in its profits and emoluments.
3. Resolved, That for the attainment of these desirable objects an application be made to the Legislature, at its ensuing Session, to pass an Act for the incorporation of the Subscribers to the said Bank, by the name of "The President, Directors and Company, of the Bank of Nova Scotia".

*24*

4. Resolved, That Mather B. Almon, Lewis Bliss, James W. Johnston, John Brown and Alex. Murison, Esquires, be a Committee to draw up and prepare an Act for this purpose, and that William Lawson, Esq. one of the Representatives for the County of Halifax, be requested to bring into the House of Assembly the said Bill, and that the other Members for the County and those for the Town of Halifax, be requested to give their support to the passing of the said Bill.

5. Resolved, That the said Committee do also prepare Petitions to His Majesty's Council, and the House of Assembly, praying them to pass the said Bill; and that the said Petitions be left at some convenient place for signatures.

6. Resolved, That in order to afford an opportunity for all persons within the Province to join the Institution, no subscriptions shall be made thereto until the first day of February next, and that a subscription Book for shares to the said Bank be opened on that day, under the charge of the Committee already nominated; and that the several Printers in Halifax, Pictou and Yarmouth, be requested to insert Notice to this effect, in the Newspapers published by them.

7. Resolved, That the thanks of the Meeting be tendered to our worthy County Member, William Lawson, Esq. for the consideration shewn by him to the wishes of a respectable portion of his Constituents,

*W. L.*

*Bliss*

in attending this Meeting, and for his able services in the chair  
this day; and also to W. B. Bliss, Esq. for his able and laborious  
services in preparing the arrangements necessary for carrying into  
effect the objects of the Meeting, and which, by so greatly facilitating  
the business in view, have enabled this Meeting to make its present  
progress towards the attainment of its object.

The principles of the proposed Act of Incorporation were also  
stated to the Meeting, considered and settled, when it was resolved  
that an Act should be framed conformably thereto.

~~THE NOVA SCOTIA ROYAL GAZETTE. January 4, 1832.~~



## Public Bank

*980*  
*W. B. Bliss*  
*Jan 1837*

In consequence of a notice given in the Newspapers of the past week, a very numerous respectable and highly influential meeting was convened at the Exchange Coffee House on Saturday, to take into consideration the propriety of establishing a Public Bank.

*1837*  
*W. B. Bliss*

William Lawson, Esq., having been called to the chair briefly explained the objects of the meeting. He said that the erection of a public bank in Halifax, had long been a favorite object with many of his Townsmen, who had from time to time expressed opinions upon the subject; and, yielding to the general sentiment, which was in accordance with his own views, he should willingly lead any assistance in his power to promote the business of the meeting. Mr. Bliss, who stood beside him, had taken a great deal of pains to investigate the subject, and had drawn up a number of Resolutions, for the consideration of the Gentlemen around him- these, with their permission, he would submit, with such explanations as might be necessary to enable the meeting to understand the nature of the scheme proposed.

W. B. Bliss, Esq., then addressed the meeting. He had been long impressed with the importance of the object, for the promotion of which they were now assembled, and in order to facilitate the business, he had taken some pains to examine a variety of Bank Acts, and had drawn up the heads of a Bill in the shape of Resolutions which he would endeavour to explain, and which he hoped might be found to express the sentiments of the meeting. Mr. B. then read the Resolutions he had prepared, commenting upon and explaining their nature and extent. It had always appeared to him that a public Bank would confer more essential advantages upon a Community than any private and exclusive Institution. In the benefits derivable from the one, every person possessing capital sufficient to purchase a share, no matter in what part of the Country he resided, might participate - the advantages of the other were engrossed by a few wealthy capitalists, who could thus add materially to their already unwieldy stores. One prominent feature of the Bank he proposed, and which was the distinguishing advantage of all Banks

~~was~~ conducted on similar principles, was this, that a man who had capital was enabled to lend to himself, or to draw an interest for his money, at the same time that he was trading upon the credit which his deposit gave him, in the Institution of which he was a Member. The heads of the Bill which he held in his hand were principally copied from that by which the Bank of New Brunswick had been founded- ~~but~~ he conceived it would be more satisfactory to follow closely the example of some such Institution, the benefits of which had been exemplified by its practice, than to offer any plan that might be regarded as theoretical and unsafe. He had fixed the capital of the Bank proposed at £50,000, with a power to augment it to double that amount, if the business increased to such an extent as rendered it necessary. Perhaps the sum he proposed was too small- and it would be for gentlemen to say whether it might not be advisable to fix it at £100,000 immediately, with the power to increase it to double the amount: ~~the~~ the additional shares to be publicly sold in the same manner as the original stock. He had provided in the Resolutions, that the debts of the Bank should never exceed twice the amount of monies actually paid in. The former Act presented to our Legislature allowed the debts to be three times as great as the capital- and perhaps this was one reason for the failure of the Act. It would be for the meeting to decide whether ~~subscriptions~~ <sup>subscriptions</sup> for stock should be immediately taken, or whether it would not be prudent to name a day, to give persons residing in distant parts of the Country an opportunity of investing their Capital. His own opinion was, that there would be no difficulty in procuring subscriptions- he had not a doubt that the whole stock would be immediately taken up. The following Resolutions were then put by the Chairman, and passed unanimously:

1. Resolved, That the experience of all Countries has proved the extensive benefits derived by the Community from Banking institutions when properly conducted, and that it is the opinion of this Meeting ~~that~~ <sup>such</sup> an Establishment, at Halifax, will be highly advantageous ~~to the Trade~~

to the Trade, Commerce, Industry, and resources of this Province, and otherwise promote its general interests.

2. Resolved, that the benefits resulting from such an Establishment, will be much extended by opening it to general subscriptions and admitting the public at large to partake in its profits and emoluments.

3. Resolved, that for the attainment of these desirable objects, an application be made to the Legislature, at its ensuing session, to pass an Act for the incorporation of the subscribers to the said Bank, by the name of "President, Directors, and Company of the Bank of Nova Scotia".

4. Resolved, that Matthew B. Almon, Lewis Bliss, James W. Johnston, John Brown and Alex. Murison, Esquires, be a Committee to draw up and prepare an Act for this purpose, and that William Lawson, Esq. one of the Representatives for the County of Halifax, be requested to bring into the House of Assembly the said Bill, and that the other Members for the County and for the town of Halifax be requested to give their support to the passing.

5. Resolved, that the said Committee, do also prepare Petitions to his Majesty's Council, and to the House of Assembly, praying them to pass the said Bill, and that the said Petitions be left at some convenient place for signatures.

The following Resolution was then offered:-

6. Resolved, that in order to afford an opportunity for all persons within the Province to join the Institution, no subscriptions shall be made thereto until the first day of February next, and that a subscription book for shares to the said

Bank be opened on that day, under the charge of the committee already nominated and that the several printers in Halifax, Pictou and Yarmouth, be requested to insert notice to this effect, in the Newspapers published by them.

*ee*  
John Brown, Esq. suggested ~~that~~ the propriety of entering into subscriptions immediately- he thought that course would best shew the desire of the meeting to accomplish the object, and have an important influence upon the decision of the Legislature.

Matthew Almon, Esq. said that he had long felt a deep interest in the establishment of a public Bank upon broad and liberal principles- such an Institution as would enable every man who by his industry had acquired the means of contributing to its stock, to participate in its advantages. In the year 1825, said he, I was one of a Committee chosen to enquire into the expediency of establishing a Public Bank at Halifax, I had the honor at that time to be associated with the following gentlemen:- Enos Collins, Michael Tobin, Joseph Allison, Samuel Cunard, and our present hon. members Charles R. Fairbanks, and S.W. Dobleis, Esqrs. We made the most minute enquiries, and came then unanimously to the conclusion that a Public Bank would promote the general interests of the Province, afford the means of investment alike for the smaller earnings of the community, and the larger Capitalist. An act of incorporation was accordingly submitted to the House of Assembly, its fate will be fresh in the recollection of those who now hear me. I will not, therefore, state the objections then made, but call the attention of the meeting to the change which circumstances have since created. We have now had, Sir, a private Bank some time in operation, and I am not aware that the evil effects which were prognosticated have occurred. I for one acknowledge the liberality of this establishment, and would advocate a Public Bank on the broad principle, that every man who contributes to the <sup>support</sup> of such an institution should participate in its profits. I trust, therefore, Sir, that an act of incorporation will pass the House of Assembly, at its next meeting; it will then go to the Legislative Council, where we need entertain no fears for the result- for that, Sir, is the last place where we shall hear that a Bank is not beneficial in its effects, or that it will not repay those who may em- *ee*

Mr. Lawson suggested that even if the stock was all subscribed immediately, an increase, equal to the requirements of the Country, might be provided for.

W. H. Roach, Esq. thought that as this was intended to be a public Institution, that the fullest opportunity should be given to the country to participate. He was in the House at the time the former Bill was thrown out, and he was fearful that by narrowing the present measure they might defeat its object. He felt satisfied that there were a number of persons in distant parts of the country, who would be desirous of investing their <sup>capital</sup> ~~earnings~~ in such an Establishment- he therefore wished that the subscription should be left open, that sufficient notice might be given to the Country, to obviate any objection which on that ground might be brought against the scheme.

J. W. Johnston, Esq. thought that the observations that had fallen from Mr. Roach were weighty, and entitled to the consideration of the Meeting. It was very desirable that the Petition to the Legislature should be strongly backed by the feelings of the Country. And as the Bank was to bear the name, and asked the support of the Province- it was just and equitable that its benefits should be universally diffused. The fear expressed that the zeal of those composing the Meeting might subside, if the subscription was delayed, he thought was groundless. However true the observation might have been as regarded meetings of a different character- where persons assembled for general purposes without any private motive; the majority of those present were assured that private advantage as well as public benefit, would result from a public Bank and consequently there was little danger of any ulterior lukewarmness. But little would be gained by filling up the subscriptions immediately, and it might have an injurious bearing on the passage of the Bill. ~~XXXXXXXXXX~~

After some further observations from Mr. Bills, and John L. Starr, Esq. who strenuously advocated delay, to give the Country a

fair chance, the Resolution was put and carried.

The Resolutions intended as the groundwork of the Bill, were then severally put and discussed- we have not room for the desultory discussions that arose upon them, nor for the Resolutions themselves. But from what was elicited, we are enabled to state the leading features of the Constitution proposed. The Capital of the Bank is to be £100,000, divided into shares of £50- of which no individual can subscribe for more than 20, until 3 months after the passing of the Act; 50 per cent upon all sums subscribed to be paid in by the first of June, if the Act of Incorporation is obtained- the remainder as it may be required by the business of the Bank, after 30 days notice given. If the Capital is found unequal to the wants of the Country, the Bank to have the power of creating an additional number of shares, which are to be publicly sold in the same manner as the original stock. The debts of the Bank are in no case to exceed twice the amount of Capital actually paid in- no money is to be lent upon landed security, though £5000 worth may be taken in payment of debts actually due to the Bank. The business was closed by the following Resolutions:-

7. Resolved, That the thanks of the Meeting be tendered to our worthy County member, William Lawson, Esq. for the consideration shewn by him to the wishes of a respectable portion of the Constituents, in attending this Meeting, and for his able services in the chair this day, and also to W. B. Bliss, Esq. for his able and ~~laborious~~ labourious services in preparing the arrangements necessary for carrying into effect the objects of the Meeting, and which by facilitating the business in view, have enabled this Meeting to make its present progress toward the attainment of its subject.

From something which dropped from Mr. Bliss, in the course of his observations, it appeared to be the intention, if possible, to engraft a Savings' Bank, or place of deposit for the earnings of the Poor, upon the Institution proposed. If this can be accomplished, it will be of

7

essential service to the Country, and have a highly beneficial effect upon the habits and respectability of the working classes. Indeed we think the whole scheme one of great promise- there cannot be a doubt that the Legislature acted ~~wisely~~ unwisely in refusing an Act of Incorporation in 1826, to the gentlemen who have since been concerned in a Private Bank, to their own profit we believe, and certainly with great advantage to the Commerce and general business of the Country. We trust that the experience of six years has swept away many prejudices which have existed, and that our Legislators will readily second this movement of the Commercial Body, from which no evil can arise at all commensurate with the advantages that must follow its train.

~~The NOVASCOTIAN OR Colonial Herald,~~  
~~January 4th 1832~~

*Re. Bank of N.S.*Petition and Subscription Book for Bank Now Open

## PUBLIC BANK NOTICE

*Small copy*  
*the Nova Scotia*  
*1832*  
*18 Jan 1832*

The Committee appointed, at the Public Meeting held on Saturday the 31st December, to prepare petitions to His Majesty's Council and the House of Assembly, praying for an Act of incorporation for a Public Bank, give notice that the petitions are now lying at the Office of Mr. Murison opposite the Province Building, and all persons interested or favourable to the measure are requested to give their signatures thereto as early as convenient.

The Committee likewise inform those who are desirous to become shareholders upon the passing of the Bill to be submitted to the Legislature, that agreeably to a resolution of the said Meeting, a subscription book for shares will be opened at Mr. Murison's Office, on the 1st Feb. To prevent any embarrassment or difficulty, it is necessary to state that it will be essentially provided in the heading of the Subscription list, that any Subscriber shall be at liberty to ~~withdraw~~ withdraw his name in the event of an Act not being obtained according with his views and wishes, providing the same be done within 15 days after the passing of the Bill, of which notice will be given in three of the public papers of Halifax; and that 5 per cent of the amount subscribed will be required to be paid, within 15 days after the passing of the said Act, into the hands of the said Committee, provisional Trustees appointed at the said Meeting.

The several Printers in Halifax, Pictou, and Yarmouth, are requested to publish the above.

January 19.

*The Nova Scotian or Colonial Herald*  
January 18, 1832.



*2/16*  
Copy of Petition for Incorporation of the Bank of N. S.  
~~Public Records of Nova Scotia~~

*AS* ~~Jan 1832~~

~~Manuscript Documents~~

~~Legislative Council.~~

~~Vol. 291, 1830-1832.~~

~~Document No. 150.~~

*25/2/1832*

*1832*  
*Jan*

TO THE HONORABLE HIS MAJESTY'S COUNCIL  
 IN LEGISLATIVE ASSEMBLY CONVENED

THE PETITION OF THE SUBSCRIBERS. Merchants and  
 others most respectfully sheweth ,

That the establishment of a Public Bank at Halifax  
 is greatly and generally desired from a strong conviction  
 that an institution from which all Commercial countries  
 have derived such acknowledged advantages would not in a  
 less degree promote the welfare of this Province and the  
 general interests of all classes of its inhabitants.

That among these advantages which experience has  
 fully confirmed your Petitioners may briefly state that the  
 circulating medium of business will be thereby increased ;

the industrious and enterprising supplied on the fairest terms with the necessary means of profitable employment, - and the labor industry and sources of the Country encouraged and brought forward into more beneficial operation, - circumstances which cannot more promote and extend the foreign trade and commerce of the Province than they enlarge the consumption of its domestic productions and advance and increase its internal growth and prosperity.

That as the wealth of the Country will be thus usefully employed for the general benefit, so an opportunity will be afforded for the investment of Capital which now either lies unproductive at home, or enriched the resources of other countries ; while the establishment of a chartered Bank would offer this advantage not only to the larger capitalists but also to the industrious and prudent and many of the less wealthy classes of the Community.

The utility of the system of Banking your

~~10-150.~~

Petitioners may further remark has already to some extent been experienced in this Province, while therefore the propriety of such an institution can no longer at this time be doubted, nor its advantages be called in question, Your Honorable Board will not fail to observe how much these advantages . will be extended by the establishment of one on the more enlarged and liberal principle of opening it to general subscription and allowing the public at large to partake in its interests and share in its emoluments.

Your Petitioners would also refer to the examples among other Countries , of Great Britain and the United States of America, as well as the neighbouring British Colonies for the facilities afforded by their several Legislatures in the formation of public Banks, and the advantages resulting from their institutions , and they may particularly instance the Province of New Brunswick in which two chartered Banks are now in successful operation,

and the Canadas where several institutions of the nature  
have some time existed , and where others/<sup>with</sup>still greater  
capitals are now about being established.

With these examples and these benefits in view  
Your Petitioners have no doubt that a large and sufficient  
capital would be immediately raised by subscription for  
such an institution to the successful establishment of which  
they believe an act of Incorporation alone wanting which  
would at once enable its operations to be carried on with  
effect , and under the superintendance of the Legislature  
afford every security to the public.

Appealing therefore to the wisdom and justice  
of Your Honorable Board, your petitioners respectfully  
solicit its attention to this subject, and its support to  
so desirable an institution and that an Act may be passed

by Your Honorable Board to incorporate the subscribers  
therefo and their associates by the name of the President  
Directors and Company of " The Bank of Nova Scotia."

And as in duty bound, &, &, &.

Halifax January 1832.

Andrew Belcher  
Temple F. Piers  
James Tremain  
John Brown  
F.L. Starr  
James Foreman  
J. Albro  
W.B Reynolds  
W.F. Black  
Wm. Lawson , Jr.  
James McIlab  
John Williamson  
Lewis E. Piers  
Tho. Williamson  
Edward Wallace  
George .....  
Robert Story  
W. R. Robertson  
Joseph Austin  
William Macara  
James Lieshman & Co.  
Geo. & And'w Mitchell.

M. Richardson  
M. B. Almon  
Lewis Bliss  
Alex. Morrison  
Wm. J. Starr  
Robert Lawson  
James Richardson  
Joshua Lee  
Thomas Fountis  
Alex. Fiddes  
John Fraser  
Charles Twining  
John Steele  
James A. Moxen  
Benj. Carlile  
Edw. Lawson  
M. Forrister  
Robert Romans  
John Romans  
J. Madden  
William Strachan  
Alex. Wallace

Wm. Marriet  
Robert Brown  
Robert Downs  
John Barron  
James Wilkie  
George Twining  
Jno. Stirling  
Pat. Ross  
Jno. Handley  
H.H.Parker  
Wm.A. Flieger  
Alex. Keith  
T.R.Pattillo  
H. Austin  
Robert M. Brown  
Roger Cunningham  
W.M.M.Allan  
J. W. Morris  
W. C. Brown  
Henry Pryor  
X Joseph Hove  
Chas. S. J. Rudolf  
John Casey Will. M.  
James Porman Jr.  
William Grigor  
G.H.Russell  
Arch. McDonald  
D. McLennan  
David Walker  
Joseph Bennett  
Jno.Esson

~~6~~  
John Rhind  
J. Creighton  
David Fletcher  
Rich. Harney Sr.  
John Hanney  
J. Bentley  
Tho. A. Anderson  
William Murdock  
James Murdock  
D.L.B. Smith  
William Story  
James Grierson  
John Johnson  
J.W. Ritchie  
Will'm Bowman  
James Scott  
Rich'd Scott  
Joseph Robinson  
Scott Tremain  
Francis Stevens  
William Skerry  
Deblois  
Alex. McLeod  
Jno. Whitman  
Jno. Ferris Jun.  
Thomas Kennedy  
Will'm Wilson  
J. D. Mack  
Hugh McDonald ....  
Benjamin Wier

~~10-180~~  
Nicholas .....  
S. Johnston  
Francis Salt (by  
F. Cochran  
John Roche  
J.W. Johnston  
James T. Avery  
Thomas Matthews per ?  
Tho. A. Anderson  
Ed. G. Wirdens  
Law. Doyle  
L.O.C.Doyle  
Simon Donovan  
Thos. S. Greenwood  
Daniel Wier  
B. Hackett  
Charles DeWolf  
David Rugg  
John Leavin  
C.W.Taylor  
John Metxler  
Wm. D. Hunter  
William Miller  
Will Hill  
James Cragg  
John Farquhar  
John Northup  
J.B. Wier  
James B. Morris  
George Smith  
N. Wright

John W. Greenwood  
Thomas Cooke  
Cor's Desmond  
Mathew Webster  
John L. Johnston  
William Metzler  
Amelia Mackay  
Harry King  
William B. King  
John Chamberlain  
John Robertson  
Ian Starr  
Andrew McGrigor  
John C Hall.  
Arch. Scott  
James Kerby  
Wm. Bauld  
William McNeil  
C.W.H.Harris  
Gasper Hoast  
Isabella Muirhead  
John B. Woodworth  
Isaac Mansfield per ?  
W.M.Hoffman  
John Spry Morris  
J. T. Twining  
Thos. Tobin  
James Dechman Sr.  
John Tremain  
W. Foster

..... Newton  
Daniel Dougherty  
M. Kinn .....  
Mary Golland  
David Wilson per J.D.  
Adam Esson  
William Knowles  
Jacob Walton by David Eaton  
A.H.Lockett  
William Multz  
John Smith  
John Stevenson  
Mich'l Schmidt  
Geo. Mitchell  
Jno. Carroll  
J.H.Noonan  
George T. Phillis.

Petition of Andrew Belcher for the  
incorporation of a Bank.  
Rec'd 25th February 1832.

753

Introduction of Bill for Incorporation of the Bank of N.S.

~~Petition for Incorporation of Bank of N.S.~~  
~~Supply of Copper Coin~~  
Journals of Assembly  
N.S. 1830-6.

~~9/12/32~~

Monday, 6th February, 1832.

~~p.157.~~

~~p.158.~~

A Petition of Andrew Belcher, and others, was presented by Mr. Lawson, and read, praying that an Act may be passed to incorporate certain Persons subscribing to a Banking Establishment in Halifax, by the name of "The President, Directors, and Company of the Bank of Nova-Scotia."

~~1832~~  
~~6 Feb~~

Ordered, That the Petition do lie on the Table.

Mr. Lawson, pursuant to leave given, presented a Bill to incorporate sundry Persons, by the name of the President, Directors and Company of the Bank of Nova-Scotia, and the same was read a first time.

Resolved, That the Bill be read a second time on Friday next, the 10th instant.

On motion, of Mr. E. Dewolf, resolved, that One Hundred Copies of the Bill be printed for the use of Members of this House.

.....

~~Mr. DeBlois reported from the Committee on the Petition~~

~~of~~



House Debate on the Bank Bill

~~1832~~  
 The Novascotian  
 or  
 Colonial Herald.  
 1832.

p. 43.

~~Discussion on Presentation of  
 Petition for Incorporation of Bank of N.S.~~

Halifax, February 8, 1832.

## PUBLIC BANK

~~1832  
 8 Feb~~

Mr. Lawson presented a Petition from Andrew Belcher, and a number of other persons, praying an act might be passed making them a Corporate Body, to be called the Bank of Nova Scotia. The petition having been read and laid on the table, Mr. L. handed in a bill for complying with the wishes of the Petitioners, which was also read by the Clerk, when

~~Mr.~~ Mr. Deblois suggested the propriety of naming rather a late day for the second reading of the Bill. The subject was one of very great importance, and as a similar Bill was formerly thrown out by a large majority of the House, he wished to have full time for mature consideration. He stood quite independent of all parties, not having signed the Petitions - but wished that ample time should be given, and meanwhile the Bill should be published.

Mr. Fairbanks said that a Bill somewhat similar was twice presented to the House - once the country gentlemen took a sudden panic, and threw it out; and on another occasion, it was opposed by His majesty's Council - the friends of the measure had on those occasions handed round Copies of the act in a pamphlet form.

Mr. Bliss would have adopted a similar course if the subject or provisions of the Bill had any thing novel about them - but the principles of such acts were well understood, and the details were such as had been sanctioned by the experience of other countries. He had no objection to the delay required, nor to printing the Bill.

Mr. Young thought it would be better, even on the discussion of the principle of the Bill, to have all the details before them. It would be better to see it in all its bearings, and then they would sooner arrive at a sound opinion.

Mr. Johnson spoke low, we understood him to say

~~that~~

that he was favourable to the principle of the Bill.

Mr. Deblois had not yet made up his mind either on the principles or the details, but desired time and the fullest information to enable him to do so. He could not but have his doubts, after the way in which former Bills had been treated by the legislature.

The Speaker explained that the usual course was when a Bill was introduced; to read it a second time on the following day, unless some gentleman gave an intimation that he intended to oppose its principle - in that case, time was given, and a day appointed. No gentleman had yet stated that he intended to oppose the principle of the Bank Bill.

Mr. Bliss did not see what occasion there was for references to the fate of former Bills, that might or might not have been of a similar character to this - or which had perhaps been considered under circumstances widely different. He might as well refer to opinions of the Honorable gentleman for Halifax who was at that time warmly in favour of the ~~meas~~

measure - but would any thing be proved by such a reference?

If that Honorable Gentleman, or the Hon. Gentleman from Sydney <sup>[Young]</sup> ~~^~~ 9

inclined to oppose the principle of the Bill let the second reading be put off to Monday, and let them have ample time. But if the principle is not to be opposed what reason for delay? why not dispose of the principle by a second reading, and give more time for the discussion of the details.

Mr. Young was not prepared to say without a further examination of the Bill what his opinion of it would be. He was quite certain that whether an act of Incorporation passed the House <sup>or</sup> ~~if~~ not, another Bank would shortly go into operation, and it would be for the Legislature to consider whether it would not be better to have two private establishments, mutually acting upon and stimulating each other, than to give a monopoly to any number of individuals. The house should be very cautious how they allowed chartered privileges to interfere with private enterprize. If two Banks were necessary, and he would not deny but they were it would become a question

~~whether~~

whether by passing the Bill they would not break down the opposition they were desirous to establish. He thought there were several questions arising out of the application of a highly important character; questions which all members would carefully and duly weigh, from his own experience he was not in favor of creating more chartered monopolies than were absolutely necessary.

Mr. Johnson thought the Honorable Gentleman from the County of Sydney had given the best reason for naming the shorter day, by going into the principles of the Bill - as he had done so, it was but right that the friends of the measure should have an opportunity of discussing its merits fairly.

Mr. W.H.Roach expressed himself favourable to the Bill - he could not for a moment believe that there would not be a large majority for its passing through the House.

Mr. Stewart had been employed in other business, and regretted that he had not heard the previous discussion.

~~Hand~~

Having learnt, however, that the Bank Bill was before the House, and that a motion had been made to defer the second reading till Monday, he should certainly vote for the shorter day. He would do so, because he was prepared to expect opposition from all quarters - and influences of every character and form. It was in vain to disguise it, that the Bill before them was of the utmost consequence to the country, to the character, usefulness, if not to the very existence of the Legislature itself; we cannot go into it too soon; it is well worth an early attention; and the sooner we take it into consideration the sooner shall we be able to measure the extent of that dangerous influence to which I allude. The question was then put, and Friday was named as the day for a second reading - 100 Copies of the Bill were ordered to be printed, and circulated among the members of the House.

#### COPPER CHANGE

Mr. Debois reported 2 Resolutions from the Committee to whom was referred the Memorial of the Grand Inquest of the



~~County~~

County of Halifax, on the scarcity of Copper Change. The Committee recommended that an issue should be made from the Treasury to the amount of £2500 - some conversation arose as to the weight. Mr. Young thought they should be below the standard value, in order that they might be kept in the Province. Mr. Johnson was fearful that if they were so; we should be inundated by base coin. The resolutions were put and carried.

Debate on Bank Bill: Argument for Double Liability

~~1832~~  
~~1832~~  
The Novascotian  
or  
Colonial Herald.  
1832.

~~1832~~  
p.69.

~~Assembly Debate~~ 1/3/1832  
D  
Halifax, March 1, 1832.

PUBLIC BANK BILL.

+ + + + +  
+ + + + +  
+ + + + +

~~1832~~  
~~March~~  
~~1832~~  
~~March~~  
As there are some gentlemen here who are always smitten with alarm when his Majesty's Council are named, I would beg to state, that in their individual capacities, I think the gentlemen who compose it highly respectable. But when I see five men belonging to one mercantile association round that Board, and know that from their connections they possess an indirect influence over several others - when I reflect that these men have a control, according to the statement of the hon. gentleman from Halifax, over every merchant and trader of this town - and a vast deal of interest in the country - shall I now ask myself this question - is it not the duty of the Legislature to put an end to such

a state of things as far as in them lies? I will tell the hon. gentleman from King's, that I consider this the last convulsive struggle on the part of the people for the abolition of a state of things which is unnatural and injurious. If we lend our aid the struggle may be successful - if we do not - it may never be made again. How does that gentleman know that the issue of paper from the Halifax Bank is only to the amount of £90,000? Where did he learn the limitation? He says the Province paper will be injured - how can that be - both Banks will be glad to have it in their vaults, because for the ordinary purposes of circulation it will serve for specie. How then can it be depreciated or injured - it will be the interest of the new Bank, as it is of the old, to uphold the Province paper.

+ + + + +

+ + + + +

+ + + + +

Mr. Young rose, at a late hour, to reply; he had listened with much attention to the two learned gentlemen



who had addressed themselves to him, rather as he had written than as he had yet spoken on the subject of debate. In their speeches they had assumed that the Act of incorporation was the principle of the Bill, and that as he had formerly published a Pamphlet in behalf of a charter, he must necessarily contradict himself if opposed to the present measure, which in many of its details adopted the very views he had suggested. The principle in his opinion was not the Act of incorporation, that being common to all chartered Banks; but the irresponsibility of the Directors and Shareholders in their private and individual capacities, in case they abused the powers which the Legislature might bestow on them; and in this respect, the present Bill differed from the two former which preceded it, in 1819 and 1825.

+ + + + +

+ + + + +

+ + + + +

He would now tell the advocates of the measure that he was no enemy to the mere Act of Incorporating a Company, provided

~~136~~

the necessary checks and guards were thrown in by which to protect the public interests, and that he thought the want of those guards in the printed Bill before the House, was its principal or main feature, by which it was distinguished from the chartered institutions of a like kind either in Britain or the United States. This irresponsibility to the public, except for the amount of the joint stock paid in, was the true principle of the Bill, and although the learned gentlemen had found it very convenient for their argument to designate the Act of Incorporation by this name, they would very soon discover, on a second and future application for a charter by a different set of men, that it lay in the extent of liability to which they were willing to subject themselves. He did not hesitate to tell them that he had brought his little pamphlet of 1819 to the debate, along with his other papers, and that although the views contained in it, and the abstract of the then proposed Bill, were controlled and modified by the gentlemen of the Committee then associated with him to

~~Carry~~

carry the measure, he was still willing to defend the doctrines which were at that time maintained, and to show how utterly repugnant they were to the irresponsibility of the Directors and Stockholders, as provided in the present Bill under discussion. What could be more contrary to sound legislation than to arm men with certain powers and privileges, without imposing a principle of restraint on their conduct? This Bill of the learned gentlemen from Hants <sup>[Bliss]</sup> went to incorporate a Company which were to issue paper to treble the amount of their capital, to conduct their operations under 13 Directors chosen by themselves, and to have nothing to respond the immense mass of promissory notes thrown into circulation except the joint stock advanced and paid in. Were there to be no penalties for official mismanagement, no other funds for the redemption of their debts and obligations?

Suppose for a moment the capital either to be lost by fraud, carried off by knavery, consumed by fire, or taken by the sudden incursion of an enemy, were the stockholders

~~and~~

and directors equally to escape in all these cases? The charter might protect them from those calamities which were inevitable and beyond their control, but surely it never could be seriously contemplated to screen their private property, if the loss arose from official negligence or misconduct. Accordingly, all wise governments were now very cautious in granting corporate power, and demanded from the members of such associations, at least a liability in their private and individual capacities, to an extent equal to the stock actually deposited. Such had been the policy lately pursued in the States of New York and of Massachusetts, in the incorporation of banks. If a man subscribed and paid in £500, he was liable for other £500 in case of any loss accruing to the public. This responsibility forced the stockholders to weigh well the characters, and to watch the conduct of ~~the~~ Directors, and quickened also the attention of directors over the cashier and clerks, who might be entrusted with the funds of the establishment. And would any member of that House deny that ~~this~~

this was right? Ought not these, who were to receive the profits, run the risk of failure? If Stockholders and directors were not to be made accountable beyond the shares they held, and had paid in, this Bill was fraught with evil, and might prove disastrous to the Province. With a capital of £50,000 paid in, were they to be authorized to send forth in promissory notes £150,000, or three times the amount, to have the use and management of this vast flourishing capital, to derive the profits of 18 per cent on the gross sum, and yet to escape from all responsibility, on the direction of so tremendous a power, although it might be capable of proof, that their own palpable misconduct had led to ruin and bankruptcy? This indeed would be the most odious and dangerous of all monopolies, and would be authorising them by law, to do what in it would be iniquitous and wicked.

+ + + + +

+ + + + +

If the constitution of the proposed Banks in 1819 and 1825



~~were~~

were examined, it would be found, that both Stockholders and Directors, were in certain cases placed under liability to the Public, in their individual capacities, and it was left to the learned gentleman from Hants to leave the members of his chartered Bank on a new footing, free from all accountability, even from official mal-administration. This was the principle of his Bill, and so pregnant with future danger, that he (Mr.Y) trusted it would never pass that House.

Debate on Bank Bill: Capital and Liability Discussed

~~1832~~  
 The Novascotian  
 or  
 Colonial Herald  
 1832.

P. 70-1. *1 March 1832*

*House in Committee on the Bank Bill*

*Feb 1832*

Halifax, March 1, 1832. ✓

FRIDAY, Feb. 17.

Public Bank Bill.

*1832*  
*17 February*

The House having resolved itself into committee on bills, the Bank Bill was taken up, and Mr. Bliss moved that the first clause do pass, the blank having been filled up with a number of names:

Mr. Deblois, from the decision of the House on a former day, presumed that it was the opinion of the House that a Bank should be established - he still thought it would be injurious, but if others were of a different opinion, he would give attention to the clauses, and endeavour to make the bill as useful as possible. The first clause was then put, and passed.

On the 2nd clause being read, which went to fix the amount of capital, £100,000, its subdivision, into 2,000 shares of £50. each, &c. Mr. Bliss proposed an amendment

~~which~~

which went to reduce the capital to ~~£~~50,000. in the first instance, half of it to be paid in by the 1st of June. Some discussion arose upon this amendment. Mr. Young opposed it strongly - it was a general rule in the establishment of Banks, that before any operation commenced, the whole capital should be paid in, as a security to the public. He wanted to be satisfied before a charter was given, that the whole stock would be subscribed - a clause ought to be inserted to provide for the taking up of the whole stock within the year. The Directors might then regulate in what proportions, and at what time the subscribers are to pay.

Mr. Bliss said his object in moving the amendment was to prevent the possibility of a large sum of money being locked up in the coffers of the Bank, during which time it would lie idle and unproductive. He wished that the Bank might be enabled to get into operation as speedily as possible, and so long as they only did business in proportion to their deposit, there could not be the slightest danger to the public.

~~The~~

The public would have the same security, £25,000 being paid in, if the issue of paper were confined to 75,000<sup>l</sup>. that they could have if one hundred thousand were lodged, and three times that sum put into circulation. Mr. Young thought there was a very important distinction between the two cases, because with so small a sum deposited a run might be made, and the credit of the Bank be severely injured - the general rule was that the whole capital must be paid in. Mr. Bliss reminded him of the national Bank of Scotland, where but 10 per cent. had ever yet been lodged. Mr. Deblois was fearful, if they were allowed to commence with so small a sum, that the whole would be held in a few hands, and it would be a mere private Bank after all. Mr. Stewart thought it was only necessary to understand the amendment to give it support. The honorable member from Sydney <sup>[Young]</sup> requires that the whole capital should be paid in in a year; suppose it happens that they can only do business to one half the amount, what are they to do with the surplus capital lying idle in their vaults? If the ~~pres-~~

~~ent~~



present Bank can only force into circulation 90,000*l.* would it not be kind, even allowing the new Bank could issue an equal amount, to force them to keep gold and silver to the full extent in their coffers; where would their interest come from? what would pay the expenses of the Establishment? Mr. Young explained, what he wanted was this - that the charter should be so guarded, that with a nominal capital of 100,000*l.* they should only have an actual capital of only half or a fourth of that amount. If this sum is too large, let them say eighty or even fifty thousand pounds. If more be required, let more be given. They want a charter of £100,000 having only £50,000 subscribed, and want to commence business with half that sum. The principle for which he contended was as plain as any first principle in mathematics.

Mr. Lawson said, the capital might not be wanted - all depended upon contingencies, over which they had no control why then force them to pay in more than would be required? As nobody could tell what the issues had been at the Halifax

Bank, of course it would be impossible to tell how much paper could be put into circulation until the experiment was tried. Mr. Johnston spoke briefly on the same side - he would like to see the book the hon. member from Sydney held in his hand, to ascertain what capital was required to be paid into the Massachusetts Bank, before it commenced business. Mr. Young was fearful that the little blue book had addled the brains of the members. He referred to the pamphlet for an answer to the question, which we did not distinctly understand. He held in his hand the constitutions of the Bank intended to be established in 1819, and the House would see that he was contending for no new idea. If the stock is not paid up, where is our control. - Surely it is not worth while to take up the time of this House to give a charter to a company with only 25,000l. He thought they had placed the stock too high - because, if the present company had never been able to issue more than 96,000l. many years must elapse before paper to the amount calculated can be

~~forced~~

forced into circulation, against the competition of the Bank and Treasury paper already afloat. Paper can never be forced into circulation beyond the actual wants and requirements of Trade - no man will take paper who does not want it. -

(Here the honorable Gentleman turned to Adam Smith, whom he called the great father of Banking, in support of this opinion; the whole circulating medium of Scotland was only £400,000 at the time of the Union, which was proved by the experience of the Banks.) He was doing a real service to the parties by wishing them to limit the sum, if a larger <sup>amount</sup> were afterwards required, it could be increased, but whatever the capital was it ought to be paid in.


Mr. Blizz explained.


The Hon. and learned Speaker had not previously had an opportunity of expressing his sentiments, and he did not now feel disposed to travel over the ground, that had been already occupied. He felt friendly to the measure; the House had already decided the principle of the Bill - and they were


now in committee, to make its details as perfect as possible - and having ascertained certain principles, to carry them into effect. This Bill differed widely from a mere Charter of indemnity - it was not merely intended for the benefit of individuals, but to promote the public good. I entertain, Sir, a very high opinion of the Gentlemen composing the present Bank, but as legislators, it becomes us to meet the public wants. Individuals composing that company are possessed of immense wealth, but who can answer for its continuance? It may all pass away and leave it to other hands - or they may pass away from them into their children. Instead of so frail and unsubstantial an Institution, this Bill will give us a Body politic and Corporate - having succession and a common Seal - which so long as its affairs are well conducted, will stand as a convenience, and a security to the public. As a Crown Officer, and a member of this House, I shall at all times carefully watch the powers given to corporations - but I do think that a Chartered Bank is now called for by the public;

and

and therefore I shall vote for the present Bill. At the same time, I inform my learned friend from the County of Wants<sup>[Bliss]</sup> that I shall feel it my duty to move for some alterations and amendments - and perhaps it would be as well if the company were to be incorporated by a Charter, instead of by the Act - because then, in case of mismanagement, the Charter could be recalled; whereas if incorporated by the act, it would have, in that case, to be repealed; and this brings me to the clause now under consideration.

 I have listened with attention to the reasoning of my Hon. friend from Sydney<sup>[Young]</sup> for upon such subjects as this, I always hear him with pleasure, because he has turned his attention much to their investigations. I perfectly agree with him that in a country like this, the Bank should be limited to the issue of three times the amount of stock actually paid in - but we ought not to tie up <sup>to</sup> the ~~heads~~<sup>hands</sup> of the Subscribers, in such a way as to prevent them commencing operations in the way most convenient and most likely





to benefit themselves and the public. Their paper will have to force itself into circulation against the Province and Bank paper, already spread far and wide over the country - and therefore we must take into consideration the difficulties with which they will have to contend. I have no idea, Sir, that the Bank we are about to incorporate, will swallow up that already in existence - we shall still have the private Establishment, and while we have it, you cannot force a large amount of paper into immediate circulation. If you oblige them to pay in a larger amount than they could possibly issue, you at once put a check to their operations, and subject them to immediate loss. I would so guard the clause that they may commence when 25,000l. is paid in, but issue no more than 75,000l. There is precisely the same security so long as the deposit and the issue bear a correct proportion, a great deal of time will be saved. If we confine our attention strictly to the clauses as they pass in review - I should be sorry to see the Bill pass without a full and fair ~~discuss-~~

~~ten~~

discussion of its merits, by which we shall arrived at results more certain and valuable than if the measure passed without opposition.

+ + + + +

+ + + + +

+ + + + +

71.

Mr. Young was desirous that the effect of the amendment should be clearly understood before so important an alteration should be introduced into the Bill.

+ + + + +

+ + + + +

+ + + + +

He did not know how to be serious on this amendment, but he would endeavour to show to the friends of the bill what would be the probable consequences of beginning business with so insignificant a sum on hand. It is credited by the public that the private Bank first deposited £40,000 before issuing a note, and that it has actually in capital at this moment £65,000, while the amount of its circulating paper, is from 93 to 94,000*l*. This Bank must regard the other with no

~~friendly~~

friendly eye, and will watch its motions with some degree of jealousy. It will know exactly the sum in specie advanced by the Stockholders; and say, that the sum is fixed by the clause at 25,000l. The chartered Bank goes into operation, and discounts bills to the merchants at 3 months to the extent of 75,000l. being thrice the amount of its deposit. Its paper is thrown out to the same extent, and its circulation kept up to the full level. I ask, how easy it would be for the private Bank quietly to lay aside the amount of 25,000l. of this chartered paper which it would receive in the course of its own transactions, and the payment of the bills of merchants as they fall due at its office. The new Bank would then be in this situation. It would hold 25,000l. of capital in its vaults - 50,000l. of Promisory notes in the hands of the community, and 25,000l. of these notes in possession of the Bank, and it would possess 75,000l. of discounted Bills. Let the private bank in this case make a demand for payment, and its whole capital would be swept away, and a run ~~inevit-~~  
ably



inevitably made on the new one. The 50,000l. in the hands of the community could not be responded, and the holders of it must wait for payment till the end of 90 days, when the discounted paper began to fall due.

This is no imaginary evil; and although it be true, as stated by the learned Gentleman from Cumberland, that the Bank would have bills with good names to the amount of the whole floating capital, which will eventually pay it; yet as such bills were drawn at 90 days, the parties could not be called on till the time was expired. Neither could the Chartered Bank have any paper issued by the Private<sup>bank</sup> on hand to answer the demand; because it had thrown out the whole.

Mr. Bliss was surprised at the trouble taken by the honourable Gentleman from Sydney to raise unnecessary alarms. Suppose, as he had suggested, a certain number of the subscribers were to withdraw, did he not know that by another clause of the Bill, not a single note could be issued until a certain amount of capital was paid in, where then are the

~~evils~~

evils the honourable Gentleman sees? and where is the risk of the Bank going into operation with only 10 or £15,000. The amendment he had proposed did not diminish the security at all, it merely went to relieve the Directors from the burthen of keeping a larger sum in their vaults than was necessary to give the proper security to the public. The hon. gentleman wants an amount of capital to lie dead which might be more beneficially employed. He told us on a former day that he would bring the President of the Halifax Bank to the Bar of the House, to make oath to the sum paid in before the Bank commenced operations. How does he know, Sir, that that gentleman would be so obliging - have the hon. gentleman and the President of the Bank been holding secret consultations? Now, Sir, I think we can tell from whence come these fears and predictions - how kind it is for the worthy President to guard us against the loss of our capital and the destruction of our credit. But, Sir, are we to be thus met step by step in this House, by those who have already extended their

~~influence~~

influence all over the Country? We cannot say to the private Bankers thus far shall you go, and no further - we cannot check their issues now if they circulate five times the amount of their capital deposited. The learned <sup>member</sup> ~~man~~ from the County of Halifax <sup>[Lawson]</sup> had alluded to the credit of Stephen Girard - that hon. gent. had perhaps also heard of the celebrated Samuel Williams, who for a long time was supposed to be as responsible as the Bank of England - but who subsequently failed, and spread ruin to an immense extent over the kingdom. This was a memorable instance of the insecurity and danger of private Banks.

Mr. Young denied any collusion with the private Bankers - happening to fall into conversation with one of them, he had asked these two questions - What amount had been paid in originally, and what sum of paper had been at any one time in circulation - to these questions he had received for answers the information thrown out in the debates. When he enquired if those facts could be substantiated, it was

~~replied~~

↑ ↑ ↑  
replied, that the President of the Bank would attest to the truth of the statement if required.

+ + + + +

+ + + + +

+ + + + +

8091

Debate on Bank Bill: Capital of £25,000 Advocated

~~House Committee on the Bank Bill~~  
(1772) (could)

The Novascotian  
or  
Colonial Herald.  
1832.

Halifax, March 8, 1832.

p. 73.

PUBLIC BANK BILL

(Continued)

1832  
8 March

Mr. Deblois said, the question before the Committee was whether the new Bank should be allowed to go into operation with a capital of £25,000. I may be told, Sir, that I have been employed to fight the battles of the Bank, I don't like those insinuations - I am not to be led in that sort of way. He had stated that the Bank would have to discontinue their discounts although many might be injured. It has been said that the chartered Bank would be more liberal - but must not all Banks sometimes withhold their discounts? In New Brunswick it had been found that the Directors for the week always favored their own friends - and a man's paper would be thrown out to-day, and if a new set of Directors came in, be discounted to-morrow. The same thing will take place here - and persons will make more in this way than by

~~the~~

*[Handwritten signature]*

the interest upon their deposits. Reference has been made to the failures of Banks in England - but I never heard of an English Banker who issued any notes at all - their Banks are merely Banks of Deposit. After some further conversation between Messrs. Lawson, Blanchard and Uniacke, the amendment was put and carried, a minority of eleven voting against it. Several other clauses were then read and passed.

Cash Accounts.

After the 8th clause had been put and carried, Mr. Young moved the following - 'And be it further enacted, that part of the funds of the said corporation shall always be appropriated to loans or cash accounts, made with regard to the interests of agriculture and the fisheries as well as of commerce, at the rate of 6 per cent per annum, upon the personal bond of the borrower, with two sureties, or with a mortgage on real estate to the satisfaction of the Directors, for a term not less than one year; and on condition of paying the interest annually for such periods only as the money

~~May~~

may have been drawn, and kept out of such cash accounts; and subject also to such rules as the Directors may impose on the operations of the same.'

The object of this clause (continued Mr. Y.) was to introduce this new power of Banking into the Province, which had been found so efficacious, in stimulating the industry and wakening the dormant energies of Scotland. There, at the beginning of chartered Banks, from 1695 to 1727, these monied Institutions could not have found scope for the employment of their capital, had they not lent money on landed, as well as personal security. By the invention of Cash accounts, they gave an impulse to all the great sources of wealth, which has excited universal astonishment, and been the subject of panegyric to Adam Smith, the father of political economy, and to David Hume, who has set forth the advantages of the system, with the pen of the historian. (Here Mr. Y. read extracts from the 2d volume of the Wealth of Nations, and another from Hume's Essay on Money, both of

~~which~~

which went to display the nature and signal benefits of this sort of Bank-credit.) The present way of borrowing money from the Bank is not only distressing but expensive. A man after finding two sureties draws his Bill and presents it for discount. If it passes the ordeal of the directors, he pays the interest on the whole sum, as it is deducted from the gross amount before the latter is paid over to him. Should he need only a part of it, at the time, the rest must ~~be~~ <sup>lie</sup> past him bearing the interest, although he draws no benefit from its use; and should he, in the course of his business, receive a payment which would enable him to pay back part of his loan to the Bank, it will not be received nor any abatement of the interest be allowed. Here all loans ~~on~~ <sup>on</sup> common mercantile Bills, bear the whole interest from the day of discount, till the expiry of their terms or dates. Cash Accounts operate by a quite different rule, and impart facilities to trade by the easy rate on which money is procured. A merchant, we will suppose, wants a Cash account, and ~~off-~~

~~ers~~

offers in security either two respectable sureties, or perhaps a mortgage over real estate, on which he holds an undoubted title. The Bank grants Cash Account on either plan, and when the Directors have acted with prudence, no inconvenience has resulted to the landed interest. The great error has arisen from lending money which was to be used as fixed not as circulating capital. If a credit is given to any person to enable him to buy land or houses, he will draw his Cash account at once to the bottom, and he will have no means of repaying it. This all Banks will most certainly shun; for their profit accrues from the circulation of their paper, and from obliging their customers to draw out and pay in as frequently as possible. Although a Bank credit should never be opened, to suffer the money to be vested in real estates, yet if the real estate be otherwise paid, it is good policy to lend on it, if the money by the borrower is to be employed in commerce or trade of any kind. Such loan occupied the place of Circulating Capital, is paid away, and ~~returns~~



returns back, and forms the proper subject of a Cash account.

One obvious advantage from their introduction into this Province, would be the extension of Banking beyond the limits of the town, into the country. A ship owner in Liverpool, Lunenburg, or Pictou, would find sureties for £1000 each; they could operate on their Bank accounts to the mutual benefit of themselves and the Institution. When they draw out sums of money, they would pay away the notes of the Bank in their own county, where they would circulate among the tradesmen and farmers, and run little chance of being speedily returned to the office in Halifax; when they paid in, they would endeavour to collect gold or silver, Province paper, or the notes of the other Bank, for it is a rule in the repayment of Cash accounts not to make use of the circulating currency of the Bank which has bestowed the credit - all such men are supposed to be friendly to the establishment that has given them such accommodations, and to promote its interest to the utmost of their power. These borrowers may be

~~scattered~~

scattered in our little villages and settlements; and they will extend and facilitate the circulation of the bank notes to an incredible extent.

It will be readily conceived that the profits of all banking, may be referred to the length of time its paper is kept in circulation. If £400 be discounted to day, and the notes given for it be presented at the office to-morrow for payment, the office has then lent part of its capital at common interest, as it has derived no profit from circulation. If all its customers were so to conduct their business, as instantly to throw back the paper on the office, the Bank could not trade beyond its actual capital, nor afford more to its partners than 6 per cent, from which must be deducted the expense of management. On the other hand, if the notes given for the £100 discounted, be paid to a person who locks them up in his chest for 90 days, so that none of them find their way back to the office for payment, the whole interest becomes a clear gain to the Bank, as it is derived from the

~~loan~~

loan of its paper, and not of its capital. Should these views be distinctly apprehended, cash accounts, opened with persons at a distance, will be more certain sources of emolument, than with those, residing in the centre of business. If a trader at ~~Parsborough~~ <sup>Parsborough</sup> possessed a credit of £500, and would continue to keep up a circulation of Bank paper to that amount, in his own neighbourhood, the interest he would pay at the end of the year on settling his cash account, would go directly to swell the dividend shared among the partners. True he had borrowed £500; but it would be equally true that he had kept £500 of Bank notes afloat, and thus operated on the credit, and not on the stock of the corporation.

The honourable Gentleman further contended that the adoption of his plan of Banking would very speedily remove the fears of the supporters of the Bill as to the employment of their capital, and that there would be no need of frittering down the joint stock first from £100,000, and now to the further sum of £35,000. A new demand for money would

be created, which would spread its fertilizing influence equally on all the branches of our industry. The trade of the corporation would not be shut up and limited to Halifax, but would diffuse itself over every County and District - Money as a medium of exchange would be more plentiful, and thus impart energy to all the internal resources of the country. - Such were the prodigious effects witnessed at the beginning of the last century, from the operation of Cash accounts in Scotland. They worked like enchantment, in reviving its agriculture, in invigorating infant manufactures, and setting into rapid motion all the elements of trade; its towns rose into sudden importance, and the face of the whole country, formerly bleak and forbidding, was changed into cultivated fields, and became alive with a bustling and active people. Its commerce was said to be doubled in the first thirty years, and has since increased to such magnitude as to eclipse, in some of the manufactures, those of the most favoured towns of England. It is unnecessary to describe

at fuller length the benefits that will assuredly grow out of this contrivance, and concluded by stating the general principles on which Cash accounts were opened in the old country.

They are never granted, he said, where the money is to ~~be~~<sup>live</sup> dead and inactive as in an ordinary mortgage, for the profits of the Bank result from the circulation of its paper, and therefore unless the amount be operated on by frequent drafts and repayments, the credit is ~~is~~<sup>is</sup> withdrawn. Hence they are never conferred on farmers, mechanics, or tradesmen, even although unexceptionable security be offered, unless they have a business which would seem to require the use of the sum demanded of the Bank.

It is also a very common rule that the amount of the credit shall be drawn out and paid in at least twice ~~the~~ year. An account of £1000 must be operated on to the extent of 4000l. viz. 2000l. must at different times be taken out, and 2000l. must be returned back, so that the Bank by this

~~means~~

means has an emission of its new notes to the extent of 2000l. and has repayment of a like sum in gold or silver, or other paper different from that of the establishment. But in some cases, particularly in towns, operations to the amount of thrice the amount of the Cash account are expected and required. The object of this precaution, is to ascertain whether the borrowers have kept the money in their hands to trade upon; for it is obvious that so soon as it is vested in real estate, they can not repay it to their account, and this irregularity becomes an infallible indication of the mis-  
~~app~~ application of the credit.

While these Cash accounts, given with prudence, are a sure source of gain to a Bank, they are equally profitable to the traders who enjoy them. They naturally will never draw money till the moment it is wanted; and of course they pay interest no longer than they can replace the sums owing on the account. A man in easy circumstances can have the use of 1000l. for half the interest that he must allow  
~~for~~

for it if taken on ~~common~~ mortgage or borrowed on accomod-<sup>m</sup>ation bills. He has this additional advantage, that when the credit is ever allowed, it is certain for the year, and he is less at the mercy of directors for discounts. He trusted that the advocates of the Bill would allow this clause to pass, as he felt satisfied it would have a beneficial effect on the interest of the Province.

The learned Speaker did not like the clause moved by the hon. gentleman from Sydney, and would briefly state his objections. There was one thing they should bear in mind, that there was a vast difference between Nova Scotia and Old Scotland. There, manufactures were spread all over the country, and it was to give facilities to these that the system of cash accounts had been introduced - here there were scarcely any manufactures, and the whole would but amount to a general system of mortgages, in which the land would be the only security. The Bank would thus acquire a power over the landed interest that might be highly injur-

injurious. I for one should deprecate such a power - as it would be fraught with great and various mischiefs. The gentleman in Fife, of whom the hon. member for Sydney has told us, might easily pay back what he had borrowed, because his rents, and the produce of his lands, would enable him to do so - but in this country his rents would bring him in but little money, and his produce would not always be able to command a market. In Scotland a man can always get some price for his produce - but in this Province, at times, he cannot sell it at all.

My hon. friend the other day supposed a case - that all the money will be gone out of the chest, and that a man will come from the Country with a six dollar note, for which he will not be able to get the cash - and then he provides this system of dead pledge by mortgage as a remedy. I will ask him can any man reckon upon the interest of mortgages in this country - and is it not a matter of great difficulty to obtain payment of any sum? In Scotland, on the contrary,



as my honorable friend well knows, punctuality is so common that all money dealings are as regular as the stroke of a clock. The clause which the hon. gentleman has moved is defective; namely, 'it shall and may be lawful for the Bank to lend money on mortgage security,' if we add the words when and as often as they shall be required, the sentence is complete, and the Bank are bound to lend the money, otherwise it is merely directory and what cannot be legally enforced, and therefore in the nature of an imperfect obligation. I believe it has been proved by long experience here that the system of lending money has been almost always ruinous to the borrower. If the Bank were to pursue it, instead of having to say to the holder of a 30s. note you must wait till some of our notes of hand become due - they would have to say, wait till we shall sell such or such an Estate, and then you shall be paid. Should this system be established, foreclosing will be the work of every day. I should be disposed to give up my situation as Attorney General, and

~~apply~~

apply for that of Solicitor to the Bank, for certain I am it would be a far better one. We need never expect, Sir, to have paper afloat to represent the real estate of the Country, it will be quite sufficient if we can keep up what represents the personal property, which changes hands in the ordinary business of every day life. I cannot but turn the hon. gentleman's arguments against himself, when I find him despairing as to the funds of the corporation, and at the same time proposing to increase the difficulty; and this system, which he denounces as insecure, he wishes by his clause to extend to the country; and having done so, I will add, that his scheme would effect the destruction of the Bank.

Mr. Blanchard said he had been making notes, but the hon. and learned Speaker had taken them all away; there were some things in which he agreed with the honorable member from Sydney, although he differed from him in his main views of the clause - he would go thus far, to say that the Bank should loan monies for one year on good personal security,

~~giving~~

giving the party the privilege of drawing and paying when he pleased.

Mr. Johnston opposed the whole scheme.

Mr. Young explained. He was quite aware that it would be ruinous to lend money on landed security alone - but he had provided in the Resolution for two good sureties, who, if they chose, might take an assignment of the mortgage. The system of Cash Accounts may now be ridiculed and opposed, but of this I am assured, that twenty years will not pass before it is introduced. - It has been already adopted in France, Germany and Sweden, and in every country where it has been tried, it has produced consequences the most beneficial. I am aware of some things which are now familiar in our daily practice, that produced a far greater outcry when they were first attempted to be introduced. Our neighbours in Massachusetts are already showing that they are alive to the benefits of Cash Accounts, and I find, in a recent charter of a Bank in Boston, it is provided that a certain sum shall be loaned

~~in~~

in this way outside the City itself. I am quite aware there are many specious arguments that may be brought against it - but I do not propose that the Bank shall embarrass itself by lending the whole of its capital in this way - let one tenth part be so employed, and the remainder devoted to the discounting of Bills, and the ordinary business of such establishments.

Mr. Deblois was pleased with the plan - their not giving Cash Accounts was an objection often made to the present Bank. He should be very sorry to see the clause lost, and was fearful if put now it might be - perhaps it would be as well to let it lie on the table to be considered by members.

The Speaker said he really could not but be amused with the kindness and consistency of hon. members, who were desirous to carry that, which they themselves averred would ruin the town, all over the country. The example quoted by his honorable friend from Sydney, of the Boston Bank, proved nothing - because the special provision of which he spoke, was ~~intended~~

intended for the benefit of the agricultural manufacturers, who were spread all over the State, and who had sprung up in consequence of the high rate of duties on foreign goods imposed by the American Tariff.

But are we in this situation? Where are our manufacturers - unless the fishermen who manufacture fish - and the farmers who bring pigs to market, can be so called. But my honorable friend has got his mind so occupied with the improvements of his native land - where the introduction of machinery changed the old national air of Jenny dang the Weaver, and set all the girls singing to the tune of 'Jenny overcame the Manufacturer.' I wish the hon. gentleman would favor us with a sight of that pamphlet he holds in his hand, and with scraps of which he favors us from time to time - perhaps he will oblige us by handing it over to the clerk, to read for our general benefit.

Mr. Bliss spoke briefly in reply - no doubt the honorable gentleman from Sydney is aware that in Massachusetts

~~there~~

there are 240 incorporated manufactories outside of the town of Boston. The only one which flourishes in this Province - and which perhaps the honorable gentleman wishes to encourage, is the "infant manufacture," and that I am happy to say needs no such aid. If the clause was allowed to remain on the table, he would prepare another, which he had no doubt would meet the views of all parties. They could not go the whole length of the proposition, but to a certain extent he thought he could meet the views of the honorable gentleman from Sydney.

Several other clauses were then put, and carried, without much discussion.

---

House Committee Discusses Clauses 21-24 of the Bank Bill

*House in Com on the Bank Bill - Clauses 21-24*  
*8/3/32*

The Novascotian  
or  
Colonial Herald.  
1832.

Halifax, March 8, 1832.

p. 74.

Bank Bill.

*1832*  
*8 March*

The House then went into a Committee, and took up the Bank Bill - the 21st clause having been read, Mr. Bliss moved an amendment, and as much of the discussion which sprung up in Committee, arose upon this clause, we copy it entire:

21st. - And be it further enacted, That as soon as the sum of fifty thousand pounds shall have been actually paid in on account of the subscriptions to the said Stock, notice thereof shall be given in three of the newspapers published in Halifax, and the Directors shall commence on the business and operations of the Bank of the said Corporation. Provided always, that no Bank Bill or Bank Notes shall be issued or put in circulation, nor any Bill or Note be discounted at the said Bank, until the said sum of fifty thousand pounds shall be actually paid in and received, on account of the subscriptions to the Capital Stock of the said Bank.

Mr. Bliss's amendment went to enable the Bank

to commence operations with 235,000

+++++

+++++

+++++

+++++

~~1.75~~  
After some conversation upon the 23d clause, and a clause proposed by Mr. Bliss, authorizing the Directors to lend money by Cash Accounts, on personal security only, which were agreed to, the 24th clause was moved, when, to the utter amazement of the wearied Reporters, a fresh discussion arose, and was continued through this and the following day - at as great length, and with quite as much pertinacity, as had been displayed at any stage of the Bill. The wide range of the whole subject was again travelled over - and the old arguments renewed and enforced by an additional weight of evidence and sarcasm. The clause proposed was as follows:

24th.- And be it further enacted, That the joint stock or property of the said Corporation, shall alone be responsible for the engagements of the said Corporation, and that no person or persons who shall or may have dealings with the said Corporation, shall, on any pretence whatsoever,

~~have~~



have recourse against the separate property of any present or future member of the said Corporation, or against their persons, further than may be necessary to secure the faithful application of the funds of the said Corporation.

+ + + + +

+ + + + +

+ + + + +

*Wholesale  
of sales*

Who would not prefer the note of Mr. J. Brown, one of the petitioners for this Bank, and certainly worth £35,000, to say the least of it, to the note of a hundred men worth only an equal sum. In the latter case there would be all the additional risk arising from the principle already mentioned, that "men though hawks when viewing their interests singly, are beetles when they lose in crowds." It has been frequently urged against the present Bank that there was only £40,000 deposited in its vaults on which to commence operating. Sir, it is of no consequence to the public what capital was deposited, while they are satisfied that the Bankers possess property to meet their engagements. In banking operations

~~credit~~

credit is as good as capital, except in so far as the usual returns of notes upon the Bank require cash to redeem them. This is one of the advantages of private banking that no particular amount of deposits being required by law - no unnecessary capital is required to be idle. To meet all these advantages of the private Bank, the public one will only have the single set-off of a charter; and though some gentlemen lay great weight on that advantage, I have yet to learn why they do so. I am well aware that writers on banking laud public Banks, and give the banks of Scotland as an example of their excellency; but it must be kept in mind, that of nearly forty public Banks there, but 3 are chartered, and these among them hold three and a half millions of in put stock. It is not charters, but an immense number of shareholders and an inexhaustible capital, which give stability to Scotch Banks.

+ + + + +

+ + + + +

+ + + + +

11

In Upper Canada, there is a Bank, but every session of the Legislature furnishes us with long and angry debates respecting it, and if I can understand these, it has fallen into the hands of a family, or political faction, and is now superior to and beyond the reach of the Government. In Lower Canada, there are chartered Banks, but there is more wealth and more business, and more Capital to support them. Yet I remember when travelling through the Canadas, of going from Kingston and Montreal in company with a gentleman who was conveying fifty thousand dollars to support the banking credit of a Bank. Alas where would our Bank send for fifty thousand dollars? Neither Tatamagouche at one end of the Province, nor Barrington at the other, would supply the needful. In New Brunswick, I grant, there are precedents in favor of this Bill, and as far as they go, I give them weight. But it must be remembered that we are legislating for a long period of years, and the banks there have existed but a very few. So much for foreign instruction.

+ + + +

+ + + +

---

Committee Report on Bank Bill

~~Report of amendments to amendments to Bank Bill~~

~~1832~~

~~N.S. JOURNALS~~

~~1830-1836~~

~~1834~~

WEDNESDAY, 22d FEBRUARY, 1832.

.....

On motion, the House resolved itself into a Committee of the whole House, on the further consideration of the several Bills which stood committed.

Mr. Speaker left the Chair,

Mr. Rudolf took the Chair,

Mr. Speaker resumed the Chair,

The Chairman reported from the Committee, that they had gone through the Bill to Incorporate sundry Persons by the name of the President, Directors and Company, of the Bank of Nova-Scotia, and had made several amendments thereto, which they had directed him to report to the House; and he afterwards delivered the Bill, with the amendments, in at the Clerk's Table.

~~The~~

~~1832  
22 Feb~~

~~1832~~

~~1832~~

~~N. 184~~

The Chairman also acquainted the House, that he was directed by the Committee to move for leave to sit again, on the consideration of the several Bills which stood committed, which the House agreed to.

The said amendments were read throughout a first and second time; and thereupon, Mr. Young moved, that so much of said amendments as relates to substituting the words "Thirty-five", instead of the word Fifty, in two places before the words "Thousand Pounds" in the twenty-first clause of the Bill, be not received by the House: which, being seconded and put, and the House dividing thereon, there appeared for the motion, Eleven; against it, Twenty-four.

.....

So it passed in the negative.

---



House and Council Agree To Final Form of Bank Bill

*C. Anderson*

*31*

N.S. JOURNAL,  
1830 - 1836

*P. 237*

SATURDAY, 24th MARCH, 1832.

.....  
A Message from the Council, by Mr. Halliburton:

Mr. Speaker,

.....  
The Council do not adhere to such of their amendments to the Bill, entitled, An Act for incorporating Sundry Persons by the name of the President, Directors and Company, of the Bank of Nova-Scotia, as were not agreed to by this Honorable House, but have agreed to the Bill with such amendments as were agreed to by the House.

And then the Messenger withdrew.

On motion, resolved, that the Clerk do carry the amended Bill, entitled, An Act to incorporate Sundry Persons by the name of the President, Directors and



~~Company~~



~~P. 237~~ Company, of the Bank of Nova-Scotia, back to the Council, and acquaint them that this House have finally agreed to the amended Bill.

*7832  
24 March*

"Rothschild" Compares Proposed Bank of N.S. to Banks in Other Countries

~~1832~~  
 The Novascotian  
 or  
 Colonial Herald.  
 1832.

p.67.

~~By "Rothschild" at Halifax, N.S.~~

~~1/5/1832~~

Halifax, March 1, 1832.

PUBLIC AND PRIVATE BANKING  
 CONSIDERED

—  
 No.1.

Arguments for and against the establishment of a public  
 Bank, derived from the late discussion in the  
 House of Assembly, from views of general policy,  
 and from the experience of other countries.

The advocates of the Bill insisted at large upon the benefits derived in other countries from the system of Banking. This, however, was a line of argument which might have been spared - for perhaps there is no view of commercial policy more firmly established or generally entertained. Banking, under skilful management and judicious guards, has lent a quickening and auspicious influence upon the commerce both of the Old and the New World; and here it has been

~~and~~

~~1832~~  
~~1 March~~



and will be attended with the same beneficial results. The true questions before the House were:

1st. Whether it was better to leave the enterprise to private capital, or to incorporate a public Bank with chartered privileges; and 2nd, Whether it was safe to grant to such a charter as its advocates sought.

A large field of argument was travelled over, and an elaborate reference to history introduced that public Banks, in the experience of other countries, have been found infinitely more secure than private Banks; and a lofty appeal was made to the stable and secure positions which the Bank of England, and the three chartered Banks of Scotland, had maintained, amid the many conflicts of commercial changes to which they had been exposed, since the respective periods of their incorporation. But the conclusions drawn from the argument were incorrect and delusive - simply, for the reason, that we could <sup>find</sup> ~~find~~ in this Province no Bank <sup>analogous</sup> ~~to~~ any one of them. The Royal Bank of England is a state engine, a

~~part~~

part of the constitution, and is as secure as the government itself. It has a capital invested in the national funds amounting to upwards of nine millions - its issues of paper have never exceeded four, - so that the public have an ample security that it will be able at all times to respond its paper.

~~1/2~~ The three chartered Banks of Scotland have all large capitals, invested ~~on~~<sup>in</sup> land and other real security, to twice or thrice the amount of their floating capitals, which are, of course, removed from the contingencies and accidents of trade. The credit of their paper is, therefore, beyond all suspicion, - because beyond all risk.

The main difference between the Bank sought to be established in Halifax, and the Bank of England, and those of Scotland, is that here the advocates wished to procure an immunity to issue paper to three times the amount of their actual capital, without responsibility on the part either of the directors or the shareholders, beyond the original capital of the Bank; while there the chartered Banks are so

~~constituted~~

constituted, that their issues of paper are in no case equal to one half of their funds. Here the public might be exposed to loss, there such a contingency is impossible.

But if chartered Banks are so decidedly superior to private, how comes it that there is only one chartered Bank in England, - but three in Scotland? How comes it that the Legislature of Great Britain has, with one solitary exception, the British Linen Company, negatived all applications for charter, for the last 60 years? They act upon the soundest views of legislation; and upon this one startling fact, without comment, I would rest, as a complete and satisfactory refutation of this confident argument of the partizans.

It is undeniable that many public Banks in England have failed, and have involved their customers, within the circle of their dealings, in commercial ruin. But this is no sound argument against a private Bank. It might as well be contended that if an application were made for legislative protection to any new Manufacture sought to be established

~~here~~

here, that it would be dangerous to introduce it - why - because Merchants engaged in a similar manufacture had failed in foreign countries. The same argument might be applied indeed to every branch of trade, and if it were sound, the Legislature would do wisely to pass a general interdict against Commerce. The question we have to consider is, whether our private Bank is safe, and safer than a Chartered Bank.

It must be admitted that Private Banks have been found both in England and Scotland, to have been attended with hazard - but is there no danger in Chartered Banks? - I mean not the Chartered Bank, that exists in Britain; but a chartered Bank such as was sought to be established here, with the power of issuing paper to three times the amount of its capital, without personal responsibility resulting either to the Directors or Subscribers, beyond the original Stock.

It is clear that the chartered Banks existing in the old country bear no analogy to the proposed Bank of Nova Scotia; all reasoning derived from this reference, must now

~~bc~~

be abandoned by its friends. In the States, however, and in the neighbouring Colonies such Banks have existed, and we may now enquire to what results their experience has conducted them.

The failures of the chartered Banks in the United States have been innumerable, and the ruin and misery consequent to their bankruptcies are such as no friend to Nova Scotia would wish to see in malignant operation in Halifax. Many individuals in affluent circumstances have been unexpectedly stripped to their last shilling, by the general crash of numbers of these rival establishments. Such is the insecurity of paper money in New York, that no stranger is safe in receiving notes in payment; and on the exchange of that great commercial city, there is kept a table, corrected every morning, exhibiting the discount at which the paper of different banks is current. In Massachusetts it was stated, by Mr. Young, that nine chartered banks failed in one year, and sixteen in another; and the legislatures of the various

~~States~~

States have now become infinitely more cautious in granting these corporate immunities; and it is now introduced as an invariable principle, in all the recent acts of incorporation, to render the directors and shareholders responsible in their individual capacities for the operations of the bank, to a larger amount than the original stock.

In Canada, one of the Montreal banks stopped payment about five years ago, in consequence of a needy Director having appropriated a large part of the floating capital to his own purpose; and Mr. Blanchard stated that the Bank of Upper Canada, existing under a charter obtained from the legislature, had now acquired such extensive and <sup>u</sup>incontrollable influence in the government, as to set the House of Assembly at defiance; and although doubts were entertained of its solvency, that the Directors refused to suffer their books or vaults to be inspected. In New Brunswick, the bank of St. John has thus far worked well; but it has operated under more auspicious circumstances than any public bank that could

~~46~~

be founded in Halifax; and besides the brief experience of some ten years of a single establishment ought to be no very controlling example to an enlightened and cautious legislature, when so many instances of disaster and ruin can be placed in opposition to it.


I do not deny that public banks have been found useful in other countries, but I may fairly contend that neither the experience of the United States nor of our Sister Colonies, speak unanimously in their favor. There have been failures, extensive and ruinous failures among chartered banks in these countries, whose situation is in some degree analogous to our own, and it is legitimate argument that it is possible a bankruptcy of the establishment may occur here. Our directors may neither bring more sagacity, experience, public spirit, or private integrity, to the task of its management, than those who have had the control and disposition of these chartered bodies whose operations have terminated in failure and ruin.

~~The~~

The history of these public associations is therefore of rather questionable import, and at least does not establish the broad position assumed, and zealously supported by the advocates of the bill, that it had been invariably found that public banks were more secure than private associations. Experience, therefore, the touchstone of political truth and expediency, to which the partisans of the bank so triumphantly appeal, does not answer with the favorable whispers of the Sybbiline oracle. The weight of experience is against and not for them.

1st. Because, no such chartered Bank as they sought to establish here, exists either in England or Scotland

2d. Because, in the States where Banks, upon similar principles, have been established and tried, they have been found to lead to innumerable failures, and general ruin; and this danger is so incontestable and acknowledged that the Legislatures of the different states act now with a timid and cautious policy in the granting of charters, and in all

 ~~cases~~  
cases secure their stability, by imposing certain guards and restraints, and personal responsibility in their managers and

3rd. Because, although some of these establishments have been successful in the neighbouring Colonies, we have an example of one failure; and besides there are peculiar circumstances existing in this Province, which would necessarily and seriously affect the prosperity of a Public Bank, that do not exist and consequently cannot interfere with the operations of the system, either in the Canadas or New-Brunswick.

I shall pursue the subject in your next number.

ROTHSCHILD



"Rothschild" Claims the Bank of N.S. is Unnecessary

(By "Rothschild")  
27/3/1832

PUBLIC AND PRIVATE BANKING **CONSIDERED**

~~sidered.~~

No 4.

Arguments for and against the establishment of a public Bank, derived from the late discussions in the House of Assembly, from views of general policy, and from the experience of other countries.

I proceed now to redeem the pledge contained in the concluding paragraph of my last number, and to remark in detail upon those peculiar circumstances which will interfere in this Province with the success of a public Bank. In the various discussions which took place in the House of Assembly, the friends of the **Charter** made frequent, and as they contended, unanswerable appeals to the auspicious career of these establishments in the sister ~~provinces~~ colonies. This argument was hollow and deceitful; and I have already shown in one of my previous letters that the lofty position they assumed was not supported by the fact, and consequently that these deductions were of suspicious and questionable character. One of the public Banks in Montreal, from the official

One  
Newark  
4 April 1832

1832  
27 March

copy

mismanagement of the directors- by their conversion of a large part of <sup>its</sup> ~~the~~ capital to their own purposes- was under the necessity of stopping payment; and the Bank of Upper Canada, although apprehensions were entertained of its solvency, refused to exhibit its books, and set the Legislature at open defiance. The experience therefore of our sister colonies, can be regarded as no indisputable test of their success; and I think I will have little difficulty in establishing, that if adversity in any one instance has reached them in the Canadas, a chartered Bank here stands less chance of maintaining its stability, and of yielding a fair return for the investment. It is a sound principle in argument that no reasoning by analogy can ever be safe, unless ~~inductions~~ the deductions derived from it be applied to a similar case.

1st. It is one of the recognised principles which govern the laws of ~~every~~ currency, that every nation, or mercantile community, requires only a certain specific amount of circulating medium. I do not consider it essential to burthen my inquiry with any elaborate investigation of the various and conflicting opinions, which have been hazarded by ~~Adam Smith~~

~~100~~

Adam Smith, and his distinguished and eminent followers, upon this branch of political economy, as to the amount of circulating medium which is required, when trade is in a vigorous and healthy condition, in proportion to the gross amount of its transactions. It is a point of abstruse and repulsive enquiry which could lead to no practical result, and I shall therefore content myself with the simple statement of the foregoing principle, as the basis of the argument I mean to conduct. It is treated in all the books as a political axiom which cannot be gainsayed.

~~100~~

2. Money like every other commodity of trade is subject to the oscillations of demand and supply, and gold and silver, when there is a repletion or deficiency in the market, rise or fall in value by the operation of the same controlling and active principles which govern the prices of flour, fish or clothes. The only difference is, that the change in their value is less apparent than in that of other articles- because, by the general consent of mankind, they have been elevated into the nominal standards

of value. If a larger quantity of gold and silver be introduced into any country than its wants require, one of two consequences must ensue.- 1st. either it must be withdrawn by exportation to some other place, where it will yield a profit to the speculator, or at least command its fair value and repay the expences of transit; or 2ndly, if there be no vent for it abroad, it will sink in real value in a ratio with the excess, and in nominal value also, if there be any other standard of a more stable and determinate character. These principles I could easily illustrate by reference to the history of the precious metals, as exhibited in the commercial annals of Portugal and Spain- to the effect which the suspension of cash payments by the Bank of England had upon the exchangeable value of the guinea- to the daily variations, which are known by our merchants to exist in the United States, in the value of different species of coin, according to the demands of the East India Trade- but I must ~~abandon~~ abandon this wide and inviting field of illustration as too subtle and extensive for the limits to which I am here necessarily confined.

~~The principle.~~



The principle, however, becomes apparent by the simple operations of our own money market. Here we have no provincial Mint, to manufacture coin, to which our Legislature, by any act, could give a fixed and determinate value; and hence, the foreign coins which circulate here, with the exception of doubloons and British silver, answer with quick perception to every variation in the States' market. The value of the doubloon, and of British silver, when measured by the Provincial paper, have received a <sup>fixed</sup> ~~no~~ nominal value- the first by the general consent of the merchants convened at a public meeting; the second, by force and virtue of a provincial enactment. But even these impotent and absurd regulations, framed in utter ~~ig~~ ignorance of those subtle and invincible principles, which, in their ~~ope~~ operation, rise superior even to the majesty of the law, cannot, and do ~~not~~ not, control their value at all times. According to the fluctuations of the premium on bills of exchange, while the British shilling will invariably pass for 1s. 3d. across the counter, the pound will rise or

fall xxx in value, varying as it has done, in the course of the last year from 24s. to 25s.,- the Spanish ~~double~~ doubloon commands from L.4 2s. to L.4 5s.;- Spanish dollars pass currently at a premium of from 2 1-2 to 3 per cent. facts which coming under daily observation, prove, without any display of general reasoning, this second branch of my present argument,- that money, like any other commodity of trade, oscillates in value according as it outruns or falls short of the general demand.

3. I lay it down as a corollary from those two principles, which I have sketched rather than illustrated, that the demands of our money market are now amply supplied, and that our circulating medium exists in sufficient abundance for all the just demands of our trade.

I am ready to concede that if our medium of circulation consisted of the precious metals only, it would be ~~arrogance~~ <sup>arrogance</sup> to argue that we could command them at all times in sufficient quantities to meet the exigencies of our commerce- because a rapid change in the Bullion market, either in Europe or the United States, might, at some particular period, encourage the exportation of the coin, of which our circulating medium was ~~all~~ composed, and subject us to the thousand inconveniences which a ~~search~~ <sup>scarcity</sup>

4

scarcity would inevitably occasion. But the case is widely different when the circulating medium consists, as in our province, of paper, which can be issued to any extent, and the amount of which is only circumscribed by the cravings of a healthful demand. The Provincial paper, so long as it is current at the public offices, and is under the watchful protection of the Legislature, will ever maintain its value, and fill up, as it had done, a part of the circulation. But it is well known, and indeed it is obvious, on the plainest principles, that the private Bankers have used their utmost exertions and influence to introduce their notes into circulation. The profits of a Banking establishment arise from the excess of its issues over the actual capital, or to speak more plainly, the amount of gold and silver deposited in its vaults. Every additional thousand which the directors therefore could see afloat, without endangering the credit and stability of the institution, added proportionately

to the amount of their profits; and as they are a body of men whose intelligence and sagacity are universally acknowledged, I feel guaranteed in assuming the position- that their issues had been equal to <sup>that</sup> ~~the~~ demand which they at least esteemed it safe to gratify. And it cannot be overlooked, that if the just demands of trade, entitled ever to respect and homage, have not been met, they have been neglected by the sacrifice of the personal interest of those to whom their claims were addressed. If they have erred, it was the judgment controlling the eloquent dictates of self interest, and the friends of the Public Bank have not been unwilling to give to some of them the reputation of painting the latter to their own minds, in the most captivating and subduing dress.

It will not be denied by those opposed to the views I exhibit, that the private Bank, like any other Mercantile establishment, is conducted principally with a view to the interests of its managers. ~~gers.~~ They will admit also, that they could command, if ~~requisite~~ requisite,



~~3~~

requisite, a much larger amount of ~~capital~~ capital, than at present invested, for the enterprise in which they were engaged. If the Province could have afforded a wider scope for speculation, they both have the disposition and the means to embrace it- but the advocates of the charter will perhaps be astonished when I inform them, that the private Bank has never been able to force into circulation, in Nova Scotia, notes commensurate with their original capital; and from their legitimate anxiety to bring it into employment, they sent last summer a considerable quantity of paper into the sister Province- a circumstance which affords the clearest evidence that the demand here will not absorb the issues of paper they were prepared to set afloat.

A majority of the advocates of the public Bank imagine, that, so soon as it is established, money will flow through the community with a novel and unexampled profusion. ~~But~~ But a rational mind will not yield its judgment to any silly or delusive prejudice,

however earnest and eloquent may be its apostle. If the public Bank is to be conducted with a view to its stability, there can be no enchantment in its operations- it must be guided by the same wise and cautious policy which has presided over the counsels of the present establishment, and if its directors deviate far from those principles, which their predecessors have been condemned for worshipping- if they discount to satisfy the clamorous demands of the needy and the speculative, - and secure a brilliant and short-lived popularity by courting these ignorant prejudices upon which the opposition to the present Bank is mainly founded,- it will meet the common fate of all our other joint-stock companies,- wind up in bankruptcy and inevitable ruin- and swell that list of failures, which are so severe a libel upon our public wisdom or public virtue.

If then it be true that we require only a certain amount of circulating medium, and that this has been already supplied by the issues of the Treasury and the Private Bank, ~~it follows as a natural~~

it follows as a natural consequence, that the paper of the chartered Bank can only be introduced into circulation by displacing the notes of the Private Bank or of the Province. The amount of money will remain precisely the same, and the difference will be not in substance but in name,- that the cash transactions of the community will henceforth be partially conducted in paper of a different stamp and character.

This then I regard as one of those peculiar and leading causes which will affect the prosperity and security of a Public Bank in this Province, which do not exist, and cannot therefore impede their success, either in the neighbouring province or in the Canadas. Mr. Bliss and Mr. Stewart throughout the whole course of the debate, rivetted the attention of the House to the prosperity which had attended the Bank of New Brunswick, and represented it as a safe and exciting example. But there is this main difference between its operations and that of any public Bank to be founded in Halifax, that it embraces

the trade, and fills up the currency of the Province without competition, while the latter must enter a field already ~~occupied~~ pre-occupied, and can only obtain success by rooting out its competitors, and withstanding the conflict of a vigorous and active opposition. In New Brunswick, since their Chartered Bank was founded, the Treasury has never issued a note, nor has there been any rival establishment. But if it be true that the Public Bank there has been so successful, and shed so auspicious an influence over the provincial interests, as was so earnestly contended, how comes it, - by what skill is the mystery to be solved - that the Legislature of that Province refused during the late Session, to grant a charter to a second. The Act of Incorporation passed the Lower House, by a contemptible majority of one, ~~to~~ <sup>was</sup> meet with an unanimous rejection in the Upper; and since this event, many of the warmest friends of the Charter here are beginning to suspect that the Bank of St. John, has been represented to be in a more healthful and prosperous condition than the truth will authorize.

The various public companies whose respective histories  
~~I sketched~~

I sketched in my last number, engaged, without competition or interference, in different branches of enterprise. If they have terminated in ruin and annihilation, there is, in this point of view, less chance of the permanence and prosperity of a Chartered Bank. 1st. Because it enters upon a field already filled with paper money; 2d. because it starts in open and avowed opposition to an organized association of great influence and unlimited wealth; 3d. because it must be prepared to resist the active competition of the present establishment, and the unsparing hostility of a large body of the mercantile community, who, although friendly to its establishment, in the first instance, are now convinced, to borrow a favourite image from the Speaker, "that it will sow, in broadcast, the seeds of danger and ruin throughout the Province."

The denouement of the Annapolis Iron Mining Company has been made public since the appearance of my last number. Some of the more wary Stockholders, in a few months after the Association was formed, sold out their original

shares which cost £100 for 132 l- thinking it wise to pocket in time the profits of their public spirit. Since then the gross expenditure of the company has been 32,000 l. The tangible property belonging to the association will not yield sufficient to discharge the debt, ~~the~~ (the larger proportion being due to the workmen, <sup>amounting</sup> amounting to 1500 l. The real Estate included <sup>ing</sup> the Buildings, Foundries, &c. &c. is under mortgage to the Hon. Enos Collins for ~~£6000~~ £6000, and such is that Gentleman's opinion of the insufficiency of his security that he has offered the directors to abandon a heavy arrear of interest, provided they will pay off the principal. This liberal offer they have declined to accept; and have proposed, in return, to release their equity of redemption, that the Mortgagee may dispose of the premises to the best advantage. The whole establishment is to ~~be~~ <sup>be</sup> immediately advertised for sale- but with these facts, it is apparent that the association breaks up with a loss of £6,000. Such examples- these the results of past experience- are in the highest degree encouraging and consolatory, when we reflect upon the flow of similar blessings which may be expected from the contemplated Bank.

~~There is~~

There is this further distinction between a Bank, and the other various public Companies which have grown up amongst us, that the latter- with the single exception of the Packet Company,- in addition to the privileges conferred upon them by the Legislature, have all received large contributions, either from the Treasury or have been supported by other public funds. The Steam Boat Company- the Canal- the Whaling Companies- the Annapolis Iron Mining Association- the Stage Coach Companies, have been aided either directly by Legislative grants, or by a liberal system of bounties; and if they, thus patronized and fortified with foreign and adventitious aid, have ended in ruin, less hope can be entertained that a Bank, wanting any similar support; conducted in the same community; exposed to the same, if not to more certain chance of loss; and to be superintended by different individuals perhaps, but, by the same slothful spirit of public management, can proceed in the career of prosperity and well-doing.

Adam Smith has laid it down as one of the first principles of Legislation, that no bounty or encouragement ought ever to be granted by government, unless it be to introduce some new branch of industry, the success of which is problematical. The votes of public money, and the chartered privileges bestowed by the Legislature to our Joint-stock companies, may perhaps in this view be vindicated. Although the associations have failed, they have paved the way for the employment of private capital in the same lines of enterprise, and their ~~advocates~~ <sup>advocates</sup> in our Legislature, represent this as the main advantage which the province has derived from the establishment and decline of these public companies. Experience has been bought at the public expense. I admit the force of the argument<sup>e</sup> but it cannot avail in this inquiry; because a private bank is in successful operation and the public funds need neither be appropriated, nor the interests of the province perilled by the risks incident to a charter, for the purpose of trying the utility of the system. Were it generally believed among our capitalists that another private Bank would succeed, without the protection of a charter, there can be no question that the leading advocates of the public Bank, would have been sufficiently selfish

~~to have~~



to have appropriated the profits of such an establishment. They have con-  
descended to admit the public, not from motives of patriotism, but from this  
reason, because they could not obtain a charter unless the subscriptions  
had been general, and they seek a charter not to protect that public,  
but themselves! It is a grasping scheme, framed by a few individuals,  
who would present it with infinite art to the community, under the guise  
of public motives. It shall not be my fault if the mask of hypocrisy be  
not rudely torn ~~as~~ under, and the real ~~designs~~ designs of its founders  
be exposed to the public gaze.

The subject-matter of this letter has outrun the limits  
I had prescribed for it, and I must therefore postpone, till next week the  
discussion I intend to prosecute upon the amendments introduced into the  
"Bill" in its passage through the two deliberative branches of the Legis-  
lature.

Rothschild

Halifax, March 27th, 1832.

~~The Novascotian or Colonial Herald,~~

April 4, 1832.

REVENUE AND APPROPRIATION ACTS 1832

a. House Resolves to Place 5% Excise Duty on all Imports

~~N.S. JOURNAL~~  
~~1830-1836~~

Wednesday, 8th February, 1832.

.....

On motion the Order of the Day was read, and thereupon.

On motion, the house resolved itself into a Committee of the whole House, to consider of Ways and Means.

Mr. Speaker left the Chair,

Mr. Rudolf took the Chair,

Mr. Speaker resumed the Chair.

The Chairman reported from the Committee, that they had made some progress in the business to them referred, and had come to two Resolutions thereupon, which they had directed him to report to the House, and he read the same in his place, and afterwards delivered them in at the Clerk's Table, where they were read, and are as follow, viz:

~~Resolved~~

.....

*1832*  
*8 Feb*

~~File~~  
Resolved, That it is the opinion of this Committee,  
and that it be recommended to the house, that Provincial  
Notes, payable at the Treasury, be issued to the amount  
of Twenty-five Thousand Pounds Currency.

Resolved, That it is the opinion of this Committee,  
and that it be recommended to the house, that in future  
a duty of Excise of five per cent, be imposed upon all  
Goods, Wares, and Merchandize, imported and brought into  
this Province.

The Chairman also acquainted the house, that he was  
directed by the Committee to move for leave to sit again,  
on the consideration of Ways and Means: which the house  
agreed to.

The said Resolutions were read throughout a first and  
second time, and, upon the question severally put there-  
upon, were agreed to by the house.

Ordered, That Mr. Fairbanks, Mr. Lawson, and Mr.  
Stewart, be a Committee to prepare and bring in a

Bill

The Title of the Licence Duty Act, 2 Wm. IV. Cap. 3

An Act concerning Persons Licensed to keep Public Houses or  
Shops, and the Duties thereon.

The Title of the Foreign Imports Duty Act, 2 Wm. IV, Cap. 4

An Act for the further increase of the Revenue by imposing a  
Duty upon Articles imported from Foreign Countries.

The Title of the Liquor, Molasses, Coffee and Brown Sugar Duty Act, 2 Wm. IV, Cap. 8

An Act to alter and continue the Act for granting to His Majesty certain Duties of Impost on Wine, Brandy, Gin, Rum and other Distilled Spirituous Liquors, and Brown Sugar, for the support of His Majesty's Government and for promoting the Agriculture, Commerce and Fisheries of this Province.

The Title of the General Excise Duty Act, 2 Wm. IV. Cap. 10

---

An Act for the further increase of the Revenue of the Province,  
by continuing and amending an Act of the General Assembly for  
raising a Duty on Excise.

The Title of the Act for more Effective Payment of Provincial Duties, 2 Wm. IV, Cap. 12

An Act to continue the Act more effectually to secure the payment of the Provincial Duties of Excise, and to prevent Frauds in the collection of the Provincial Revenue.



The Title of the Licence Duty Act, 2 Wm. IV, Cap. 15

An Act for granting Duties on Licenses for the sale of Spirituous  
Liquors, and for other purposes, to Persons resident within the  
town of Halifax.

The Title of the Licence Duty Act, 2 Wm. IV. Cap. 17

An Act for granting Duties on Licences for the sale of Spirituous  
Liquors in Taverns, Public Houses or Shops and for other purposes.

The Title of the Liverpool Light House Duty Act, 2 Wm. IV. Cap. 26

An Act to continue the several Acts respecting the Liverpool  
Light-House.

The Title of the Cranberry Island Light House Duty Act, 2 Wm. IV. Cap. 28

An Act to continue the several Acts relating to the Light-House  
erected on Cranberry Island, near the entrance of the Gut of Canso.

The Title of the Brown Sugar Duty Drawback Act, 2 Wm. IV, Cap. 11

An Act to continue the Acts for granting a Drawback of the Duties on Brown or Raw Sugar, used in the manufacture of Refined Sugars within the Province, and for regulating the mode of obtaining the same.

N. S. HAS NEITHER A CURRENCY NOR A CURRENCY STANDARD

PROVINCIAL TREASURY NOTES 1832a. Treasury Note Accounts for 1832

~~1832~~  
~~N.S. JOURNALS~~  
~~1830 - 1830.~~

~~showing \$50,000 in error~~  
~~P. 450~~  
 TUESDAY, 2nd APRIL, 1833.

.....

Mr. Lawson presented to the House, a Report of the Commissioners appointed by His Excellency the Lieutenant-Governor, for the issuing and cancelling of Province Notes commencing the 1st January, and ending the 31st December, 1832.

## A P P E N D I X.

NO. 47.

[SEE PAGE 450.]

~~(Note, the reference to this Appendix at page 450, is printed No. 45 by mistake.)~~

R E P O R T of Commissioners appointed by His Excellency the Lieutenant-Governor, for the Issuing and Cancelling of Province Notes, commencing the 1st January and ending the 31st December, 1832.

54,999 10 0

In circulation 1st January, 1832

1832. Jan. 2, Issued under Warrant, dated 19th July 1831, to cancel and issue £4000.  
 1000 Notes of £1 each 1000  
 Ditto under sundry Warrants, of the following dates.

Mar. 1, Issued £8000 in 8000 Notes of £1 each, 8000

Apr. 6, Ditto 10000 in 10000 do do 10000

June 23, Ditto 2000 in 4000 do 10s each, 2000

Aug. 30, Ditto 5000 in 5000 do £1 do 5000

Oct. 29, Ditto }  
 to cancel and issue } 5000 in 3000 do do do 3000 29000

Cancelled under Warrant, dated 19th July, to cancel and issue £4000.

1832. Jan. 1 16 Notes of £5 each, 80  
 920 do of £1 each. 920-1000  
 Ditto under Warrant to cancel and issue £5000, dated

Oct. 29 40 Notes of £5 each 200  
 2,700 do of £1 do 2700  
 200 do of 10s 100-3000 4000 25000 0 0

£ 79,999 10

In circulation 31st December, 1832  
(Errors excepted.)

Halifax, December 31, 1832 [Signed] James Foreman,  
William Lawson,  
Andrew Belcher.



The Text of the Treasury Note Act 1832

NOVA SCOTIA LAWS,  
CAP. LXIV.  
P. III

CAP. LXIV

An Act to Authorise an additional issue of  
Treasury Notes.

(Passed the 16th day of February, 1832.)

W H E R E A S under an Act, passed in the Ninth year of His late Majesty's reign, entitled, An Act for issuing Treasury Notes, and cancelling those now in circulation, and also, an Act, passed in the Tenth year of His said late Majesty's Reign, entitled, An Act to authorise an additional issue of Treasury Notes, an issue of Treasury Notes to the extent of Fifty-five Thousand Pounds is authorised and allowed. And whereas, it has become necessary to make a further issue of Treasury Notes:

I. Be it therefore enacted, by the Lieutenant-Governor, Council and Assembly, That it shall and may be lawful for the Commissioners, appointed or to be appointed under the said Act, passed in the Ninth year of His said late Majesty's reign, to issue Treasury Notes to a further amount, not exceeding Twenty-five Thousand Pounds, so that the whole amount of Treasury Notes, at any one time in circulation,

~~PLAIN~~ under the said several Acts hereinbefore mentioned, and the present Act, shall not exceed in the whole Eighty Thousand Pounds.

II. And be it further enacted, That of the Notes hereby authorised to be issued, the sum of Twenty-three Thousand Pounds shall be in Notes of Twenty Shillings each, and the sum of Two Thousand Pounds in Notes of Ten Shillings each: and all the said Notes shall be made, indented, signed, countersigned, dated and delivered, and be in such and the like  form, figures and words, as near as may be, as in and by the said Act passed in the Ninth year of His said late Majesty's Reign is directed, with respect to Notes to be issued under the said last mentioned Act.

III. And be it further enacted, That the Treasurer of the Province shall be accountable for the Notes delivered to him under this Act, and the same Notes shall be redeemable, and be paid or cancelled, in such and the like manner as by the said Act of the Ninth year of His said late Majesty's Reign is directed, with respect to the Notes to be issued under the same, and all the clauses sections, provisions, penalties and forfeitures, contained in the said Act, passed in the ~~ninth~~

~~XXXX~~  
Ninth year of His said late Majesty's Reign; and also, an Act passed in the Eleventh year of His said late Majesty's Reign, entitled, An Act in amendment of the several Acts now in force relating to Treasury Notes, shall extend to all Notes to be issued under the authority of the present Act.

---

19/9/1832

Forgery: - A forgery upon the Treasury issue of Notes has just been handed to us, which we deem it our duty to notice for the caution of the public. The forgery of the names of A. Lane, John Brecken, and J. Spencer Smith, Commissioners, and T.H. Haviland, Treasurer, is so clumsily executed, as to make it appear surprising that they should have escaped the notice of the most casual observer. Only five ten shilling notes have yet been discovered. The blanks, which are evidently the same as the good notes, are supposed to have been purloined during the operation of printing. The first batch of Ten Shillings notes was printed at London, but a second impression was struck off at Charlotte Town not long since. We are disposed to think that the extent of this forgery has been nearly ascertained, as no great quantity of blanks could have been abstracted without exciting suspicion.

THE ESTABLISHMENT OF A PROVINCIAL SAVINGS BANK

a. The Text of the Savings Bank Act, 2 Wm. IV Cap. 41.

~~CAP. 41~~  
**An Act to amend the Act to facilitate the Establishment of  
 Banks for Savings.**

Amends 7,  
 Geo. 4, c. 38

[PASSED THE 14th DAY OF APRIL, 1832.]

**WHEREAS**, it is expedient that the Governor, Lieutenant-Governor or Commander in Chief for the time being, should be authorised to nominate and appoint a Commissioner or Commissioners, to carry into effect the several provisions of the Act, passed in the seventh year of His late Majesty's Reign, entitled, An Act to facilitate the Establishment of Banks for Savings, instead of incorporating Trustees by Letters Patent under the Great Seal of the Province, as by the said Act is required:

Member

I. *Be it therefore enacted, by the Lieutenant-Governor, Council and Assembly, That,* from and after the passing of this Act, upon the formation or establishment of any Bank or Institution for Savings, and for receiving the deposits of the Poor, or of the Labouring Classes, instead of Incorporating Trustees or Persons appointed to manage the affairs thereof by Letters Patent under the Great Seal of the Province, it shall be lawful for the Governor, Lieutenant-Governor or Commander in Chief for the time being, to nominate and appoint one or more Commissioner or Commissioners to manage the affairs of the said Bank for Savings, who shall have all the same and the like powers and privileges, and authorities, and be subject to the same rules, regulations and provisions, as Trustees incorporated under and by virtue of the said Act hereby amended, or as by the said Act are given to, or vested in, the Trustees or persons to be incorporated under that Act.

Appointment  
 of Commis-  
 sioners to ma-  
 nage Bank of  
 Savings

II. *And be it further enacted, That,* instead of the interest of four per cent. directed to be paid, in and by the said Act, that there shall be paid the annual interest of five per cent. upon all Monies so deposited, one fifth part of which shall be retained by the said Commissioner or Commissioners, for and towards the expences incurred in and about the management of the said Savings Bank.

*Provided always,* That no person shall be allowed to deposit more than the sum of Fifty Pounds in any one year.

Interest upon  
 deposits

Feb 27/36

24480

Public Notice of the Opening of the Savings Bank

Savings Bank.

Provincial Secretary's Office,  
Halifax, 14th July, 1832.

Not in Royal  
Gazette  
18 July 1832

The Public are informed, that a Bank or Provident Institution, for the safe custody and increase of the small Savings of the Industrious Classes of Society, was this day organized by His Excellency the Lieutenant Governor, in Council, under the authority of two Acts of the Legislature.

1832  
14 July

1. The Bank will be kept at the Office of the Treasurer of the Province, in the Province Building, and will be open to receive deposits and make payments every morning, between the hours of 8 and 10 o'clock, commencing on Monday the 30th instant.

2. Mr. Edward Duckett, Jun. is appointed Commissioner and Treasurer, and ample security to the satisfaction of His Excellency and His Majesty's Council, has been given by him, for the faithful discharge of his duty; his accounts will be examined every Month by a Committee named by His Excellency, consisting of the Hon. H. N. Binney, Sir Rupert D. George and Charles W. Wallace, Esq. by whom a report of the state of the Bank, will be made to His Excellency every quarter, and published in the Royal Gazette Newspaper.

W.A.A. 12

M.A.

3. The benefits of the Institution will be confined to Tradesmen, Mechanics, Servants, Laborers, and others of the Labouring Classes, Seafaring Men, Non-commissioned Officers, and Privates in the Army.

4. Deposits will be received of not less than one Shilling at each payment: - all deposits and payments will be entered in a book at the Office, at the time they are made, and each depositor will receive gratis, when he makes his first deposit, a Bank or pass book, which book must be brought to the Office whenever any sum is deposited or withdrawn, in order that a duplicate entry may be made therein. No depositor can lodge more than £50 in any one year.

5. Persons who may become Depositors, may send additional sums by other persons, who must produce the Bank Books, or duplicates of the Depositors.

6. This Bank shall be at liberty to return the amount of deposits of all or any of the depositors, paying the interest thereon, and may refuse to receive deposits whenever it shall be deemed expedient.

7. The monies deposited with this Institution, will from time to time, as often as they amount to £100, be paid into the Treasury of the Province, upon interest.

8. Deposits will bear interest at the rate of four per cent, from the first day of the Month, after the sum deposited shall amount to

M.A. 3

Twenty Shillings: - No interest will be paid on any fractional part of that sum; but every additional Twenty Shillings will in like manner bear interest, such interest to be calculated by Calendar Months, but not on any fractional part of a Month.

9. The account of every depositor will be made up quarterly:- viz. on 31st March, 30th June, 30th September and 31st December:- and the interest will be computed up to the 31st December, when, if not demanded, it will be added to the principal sums deposited.

10. Depositors desirous of withdrawing the whole or any part of their deposits, must give notice of their desire, on any Monday during the appointed time of attendance at the Bank, and on the following Monday, the sum so required will be paid. If the whole deposit is demanded, the interest thereon will be allowed up to the end of the preceding quarter.

11. No deposits shall be transferable, nor shall any sum, either for principal or interest, be paid to any other person than the depositor, if living, or his legal representative if dead, or to same person authorised by a Special Power of Attorney, forms of which may be obtained free of expense at the Bank.

12. One person may deposit for another, and the deposit shall be entered in the Joint names of both, but shall only be withdrawn by the proprietor, or person duly authorised by him.



13. In case of any dispute between the Commissioner and any depositor, or his representative, or any person claiming to be such, the dispute shall be referred to two arbitrators, one to be named by the depositor, or his representative, and the other by the superintending examiners named by His Excellency; and in case the arbitrators disagree, the matter shall be referred in writing, to whose award shall be final.

By His Excellency's Command,

RUPERT D. GEORGE.

-----  
~~THE NOVA SCOTIA ROYAL GAZETTE, July 18, 1832.~~

EARLY ORGANIZATION STEPS OF THE BANK OF N.S. FOLLOWING ITS BEING CHARTERED  
a. Notice of Organizational Meeting of the Bank

BANK OF NOVA SCOTIA

*The Novascotian*  
 1832  
 18 April

**NOTICE** is hereby given that a general meeting of the Stockholders of the above establishment, will be held at the Exchange Coffee Room on Thursday, the 10th May next, at 2 o'clock in the afternoon, for the purpose "of organizing the said Bank, ordaining and establishing such bye laws, ordinances, and regulations, for the good management of the affairs of the said corporation, as the members and stockholders shall deem necessary, and also for the purpose of choosing thirteen Directors," in terms of the charter. Stockholders residing at a distance may vote by their proxies - ~~subscribers~~ who must also be stockholders, and no individual by the Act is allowed to hold **more** than three proxies - subscribers of stock who may omit to pay up the first installment of 10 per cent on the amount of their subscriptions, prior to the **meeting above** notified, will not be entitled to vote at the said meeting. After the expiration of one month from the passing of the act of Incorporation ~~which~~ (which will be the 31st inst.) subscribers have the privilege of increasing their subscriptions without restriction.

Subscriptions will still be received at the office of Mr. Murison, as heretofore.

M. B. Almon,

Lewis Bliss

John Brown

J. W. Johnston

Alex. Murison.

April 19, 1832

*The Novascotian or Colonial Herald,*  
 April 18, 1832.

Minutes of General and Directors' Meetings of the Bank of N.S.

## BANK OF NOVA SCOTIA

At a general meeting of the Stockholders of the Bank of Nova Scotia, held at the Exchange Coffee House on the 10th inst. the following gentlemen were chosen directors:

Alexander Murison	Lewis Bliss
William Lawson	Stephen N. Binney
William B. Bliss	James B. Uniacke
John Brown	James Leishman
Mather B. Almon	William Murdock
James W. Johnston	James Donaldson
	William F. Black

At the same meeting it was unanimously resolved that an adjourned meeting of the stockholders shall take place on the 31st day of May instant, for the purpose of taking up any stock which may not then be subscribed for; and also for adopting bye laws for the said Bank.

At a meeting of the Directors, held on the 11th day of May, William Lawson Esq. was chosen president.

Notice is hereby given that an adjourned meeting of the Stockholders will be held at the Exchange Coffee House, on Thursday the 31st of May instant, at 2 o'clock pursuant to the above Resolution and for the transaction of other business.

Notice is also given that the balance of the first instalment of fifty per cent, ten per cent having been already paid in, will be required agreeably to the Act of Incorporation, on or before the 1st day of June next.

William Lawson

President

May 12

"Rothchild Jr" Strongly Criticizes the Early Organizational Steps of the Bank of N.S.

The Novascotian  
or  
Colonial Herald.  
1832.

Halifax, June 6, 1832.

*Handwritten scribbles and signatures on the left margin, including the year 1832 and the name "G. Prince".*

To the EDITOR of the NOVASCOTIAN.

+ + + + +

+ + + + +

Yet in the face of these enactments, which cannot be misconstrued, and which, if I am rightly informed, Mr. J. W. Johnston drafted, or drew the outlines, of which Mr. W. B. Bliss was their champion in all their stages through the House of Assembly, which Mr. Lawson, as a Member of Assembly presented to the House, and voted on every clause. Yet were they grossly violated by these gentlemen of assumed power. Yet did Mr. W. B. Bliss, Lewis Bliss, Mr. Murison, Mr. Lawson, and others, vote as proxies for non-resident Shareholders, without producing the "sufficient written authority from their constituent or constituents so to act." Nor had they them to produce. That they did not produce them is sufficient for my purpose! This you will perceive, sir, is a positive and

an essential requirement - and was not, by the act, which must be literally construed, left to the discretion of any one individual, or the body corporate collectively. To vote for an absent or non-absent Shareholder, the voter must, by the 17th Section, produce his "sufficient written authority so to act."

+ + + + +

+ + + + +

+ + + + +

ROTHSCHILD, JUNR.

The Novascotian  
or  
Colonial Herald.  
1832.

Halifax, June 27, 1832.

TO THE EDITOR OF THE NOVASCOTIAN.

+ + + + +

+ + + + +

+ + + + +

It is notorious, that Mr. W. B. Bliss, and Wm. Lawson took the lead in the Bank Bill question before the House of Assembly - and it is as universally known, that in all matters relating to that act, both before and after its consummation, these two gentlemen, with their aid-de-camp, Mr. Murison, were the most prominent, and evinced a zeal of no ordinary kind.

At the first meeting of the 10th May, for the ostensible purpose of organizing the Bank, electing Directors, and for the purpose of enacting bye laws for the "good government" of the Bank of Nova Scotia, Mr. W. Lawson, as a matter of course, took the chair - explained in a subdued

~~tone~~

854  
1832  
27 June  
Repost  
member of the  
Nov 5 1836

tone that the object of the meeting was to choose Directors, and to enact bye laws - and after a few resolutions had been adopted, to which, on account of their unimportance, it is unnecessary for me here to advert - directions were given to proceed in the ballot for Directors. This was a course which, in so important a matter, was thought rather premature, by a shareholder to the amount of £2250, and consequently the attention of Mr. W. B. Bliss was immediately called to the 17th Section of the Act of Incorporation - with the importance, sacredness, and the provisions of which, he must have been previously well acquainted. A desultory conversation ensued between Wm. Lawson, W. B. Bliss, and J. W. Johnston, in which, the above-adverted-to shareholder but slightly participated, and in which, the latter (who had the law but half an hour before he entered the room) hastily concurred in the opinion of those gentlemen that the individual who was authorized by the absent Shareholder to subscribe, might also be deemed authorized to vote, but on a second perusal of the 16th and 17th

~~section~~

section of the act, and before the balloting commenced, the attention of Mr. W. B. Bliss was then again called to the important, peremptory and obligatory sections, to which Mr. W. B. Bliss would not attend; when Mr. J. W. Johnston remarked that the "written authority to vote" required by the act, "might be produced hereafter, or at the next Election."

This was the grave, the solemn (though erroneous) opinion of a Lawyer, against which a plain unlettered man dare not hazard an objection. For what reason? Because he had not studied the Law, and that it was not his profession! This was the language of a man, who, if his opinion had been asked, in any other similar case, after fee tendered, would have as gravely said, Averbis legis non est recedendum.

One of the Candidates for the office of director received the ballots in his hat, by passing round to each shareholder, and he afterwards deposited them at the head of the table, in the neighbourhood of W. B. Bliss, and W. Lawson; the ballots so called were partly, if not wholly, opened by

~~W.~~

W. B. Bliss and A. Murison, and their contents were by them imparted to Mr. Scott Tremain, a lawyer too, who appeared there under the appointment of W. B. Bliss, as the clerk, pro tem of the association. Shortly after the ballots had been thus delivered, nearly all the Shareholders retired, and before the aggregate of the votes, thus loosely given and as loosely taken and recorded, were announced, there were present, I believe, but two of the Shareholders, and about eight of those who subsequently announced themselves directors. Mr. Murison then carefully collected the ballots, and deposited them in his waistcoat pocket! It was then late in the evening, and Mr. Murison, whose heart had acquired an increased action, and in the fullness of his joy at his complete success, and teeming with apparent gratitude, turned in a truly farcical manner to thank the gentlemen for the high honour conferred on him; but finding only two there, of whose support and approbation he appeared to be somewhat doubtful, he begged "leave to thank the shades of the absent Shareholders.

*W.B.*



W. B. Bliss then advanced in a truly Thespian style, and moved no doubt by the same feelings, made a similar address to the same substances.

It was then announced by Mr. W. B. Bliss that the meeting would adjourn till the 31st May. Thus ended the first act of the "Nova Scotia Bank" farce.

It was from this chaos sprung into plastic existence, our Thirteen directors, to transact the business of the Body Politic, a Body it is true, without a Soul!

Viewing this election as I do, and as all will, who have the least acquaintance with the terms and object of the act, and with the Law of common sense, you may judge of my surprise, when I heard that, on the next day, the 11th May, a meeting of the would be directors took place, and that they elected Wm. Lawson their President! and on the 12th consummated, and announced that act of gross folly, by putting it on record, and publishing it to the world! A meeting, pursuant to the terms of the adjournment, took place in the apartments

~~6E~~

of the Exchange Coffee House.

+ + + + +

+ + + + +

+ + + + +

The following was then written by the Shareholder alluded to, with the muscles of the upper part of the face, and of the upper lip, speaking volumes of contempt:- "That all the papers connected with the election of directors, be laid before the meeting, to ascertain, beyond the possibility of a doubt, if the 16th and 17th sections of the act of Incorporation, were strictly complied with." There were then present, of directors who knew of the original plan 8, and two who knew nothing of it; there were two absent in the country who knew of the original plan, and one in the town, who knew it not. There were present at the meeting, of the Shareholders, about 14 who had evidently not read the law, or if they had, understood it but very imperfectly, and but one who had given it that attention its importance demanded; and I trust that his narrow escape from them, will be a lesson to him, as

~~long~~

long as he knows the meaning of the terms "Joint Stock Company, Law, Charter, Bank and liability." The person who called for the papers, finding it useless to spend more of his time in fruitless arguments on the subject, addressed to persons who had usurped power, and to others who had evidently not read the law upon which they were giving opinions, rose and begged leave to abandon the association, for the reasons before stated; being fully sensible that, Imperium flagitio acquisitum, nemo unquam bonis artibus exercuit.

+ + + + +

+ + + + +

+ + + + +

I have been favored with a copy of a note sent by a shareholder to the Provisional Trustees, claiming the amount of his deposits of 10 per cent on the sum of his subscription - and as it may throw some light on the capacity of the Directors for ordinary business, I have thought it right, with his permission, to publish it verbatim:

~~W. H. H. H.~~

V

Halifax, 12th June, 1832.

10 o'clock

GENTLEMEN.

"In consequence of the impression which exists with me, of the illegality of the election of Directors, intended to conduct the important affairs of the Chartered Banking association, by which my confidence of its ultimate success is greatly weakened and diminished; I have withdrawn my name from the Subscription List, and I for that reason request you will return the amount of my deposits, £225, placed in your hands under the act of Incorporation, and which were placed there under the conviction that every part of the Charter was to be fully embraced, and strictly adhered to, more especially the fundamental clauses of it."

I am, Gentlemen,

To the Provisional Trustees) your Obt. Servant.  
of the Bank of Nova-Scotia.)

+++++

~~This~~

This note, after having been before the Directors, was returned quarter before 6 o'clock in the evening of the same day, (but not unpeeped into) with the following laconic, but evidently embarrassed reply, addressed to the party (not who wrote it), but who delivered it:-

"The Provisional Committee of the Bank of Nova Scotia, having ceased to exist on the choice of Directors - the enclosed letter is returned through the channel in which it was received."

+ + + + +

+ + + + +

~~The Novascotian~~  
~~OR~~  
~~Colonial Herald.~~  
~~1832.~~  
~~p. 210.~~  
4 July 1832

Halifax, July 4, 1832.

SIR,

1832  
2 July

The date of the note to the "Provisional Trustees  
of the Bank of Nova Scotia," transcribed in my last communi-  
cation, was the "1st June," not the 12th, as you have it -  
and I am enabled to say, with reference to a paragraph in  
that communication, that the "Shareholder" has been waited  
on by one of the guardians of that precious child of promise,  
with the amount of his 10 per cent deposit on his subscriptions-  
and I will further do justice to their calmer and improved  
judgment, to say, that it was repaid just previous to the  
appearance of the last letter of

ROTHSCHILD, JUNR.

Halifax, July 2.

Bank of N.S. Notice of Paid In Capital and Imminent Opening For Business

Bank of Nova Scotia.

As required by the Act of Incorporation, Notice is hereby given, that the sum of Fifty Thousand Pounds has been actually paid in on account of the Subscriptions to the Stock of the Bank of Nova Scotia, and that the Bank will be opened for business as soon as the necessary arrangements are completed.

By order of the President and Directors,

JAMES FORMAN, Cashier.

Halifax, 1st August, 1832.

~~THE NOVA SCOTIA ROYAL GAZETTE. August 8, 1832.~~

NS Royal  
Gazette  
6 Aug 1832

1832  
1 Aug

2/8/1832

CONFLICT BETWEEN HALIFAX BANKING CO. AND BANK OF N.S. OVER REDEEMABILITY OF NOTES

a. "John Doe" Claims Bank of N.S. is Causing Run on Halifax Banking Co.

The Novascotian  
or  
Colonial Herald.  
1832.

272 22/8/32

Halifax, August 22, 1832.

p. 269.

THE BANKS.

MR. HOWE.

Sir - I have been induced to trouble you with a few observations on the passing events of the day; which although regarded at the present by many as only affording interest for corner conversation and piquant remark, must, I think, be by every reflecting mind considered as fraught with the most direful effects upon the best interests of the commercial community, and will be ultimately severely felt by the whole province. I allude to the operations commenced by the new, or Nova Scotia Bank, which has been making a run (as it is called) upon the Halifax Bank, for £25,000. Friendly as I always was to the prospect of a wider field being opened for the extension of our trade, from the very flattering and liberal prospectus of the new Bank, strengthened by the bright

*Agreed to by the committee  
of the Halifax Bank  
to the effect of the  
run on the Halifax Bank  
is given in Ross's  
History of the  
Province of Nova Scotia  
Vol. 2, p. 100  
a description  
of the "run"*

1832  
22 Aug

~~examples~~

examples of the great benefits derived from the only Bank ever established in the province, I did not for a moment anticipate an occurrence of this kind. I must confess, my best argument in their favour (and one I have so often used) is gone, utterly foundered; and when I review the decided opinions of those that disagreed with me upon the subject, which I attributed to want of liberality, I must also confess, they have given a pretty sure earnest of the worst consequences that may ever have been anticipated. I did not suppose their very first step would have been to create a violent opposition, what their object is in so doing, appears the more a mystery, the more I consider the matter, so decidedly is it in opposition to their heretofore professed principles of liberality, and that straightforward independent line of conduct they had marked out as a guide for the mutual benefit of the public and themselves, so far from this, it would appear in their eagerness to show fight and give the first deadly blow, where they alone have conjured up an enemy, they were

~~equally~~



equally reckless of their own safety, under the law (for according to the act of incorporation they are liable to prosecution for acting prematurely) and of the great misery they were likely to bring upon the community by forcing the old Bank to stop their accommodation and enforce the payment of their debts. Did they think to run the old "Jews" hard (as I have heard it observed) and stop their money making? if so, I would say, such a little feeling, is only worthy of so very little a Jew - little Jew - or any other of the Jew alphabet, who careful alone of their own interest, would glory in the distress around them; a feeling I would scorn to attribute to the good sense of the general stockholders of the Nova Scotia bank; they cannot think that where there is a capital actually paid in, where each and every one composing that establishment are separately and conjointly bound to the public and to one another for the whole amount of their paper, and all known to be possessed of large properties; I repeat, they cannot think to deprive them of the public confidence.

~~Without~~

Without going into a lengthy argument upon the subject, I would, in conclusion, only say, that the public must now be fully aware of what they have to expect from the new Bank, and must attribute the misery and interruption to business that is likely to ensue, from its very first operation, that of withdrawing a very large amount of money from circulation, and with it, forcing the old Bank, at a time when the new Bank is but half organized, and consequently unprepared to give that relief that will be so largely needed; for it cannot reasonably be supposed, that the old Bank will afford any but a very limited accommodation while they are thus menaced by such unequal warfare, for such it is, until the new Bank goes into operation. This Bank affair brings very vividly to my recollection the observation of an old friend in New York, well versed in banking, and who was then, as I believe he still is, president of one of the most respectable Banks in that city. I was descanting upon the great advantages I thought our Province would derive from the establishment of a Bank

↑

↑

~~(it~~ ↑

(it was before we had one) he very gravely replied, to you my very dear Sir, it may appear inviting, but to me it is a difficult machine to manage; however, of this, you may rest well assured, that however beneficial the establishment of one Bank may be found, depend upon it, should a second be got up, you would ever rue the day, your gold and silver was first represented by Richard Roe, or bearer.

Yours very truly,

JOHN DOE.



Treasury Refuses to Redeem Its Notes in Specie

PUBLIC RECORDS OF NOVA SCOTIA

*23/10/1832*

MANUSCRIPT DOCUMENTS

VOLUME 282 .

SUPPLEMENTARY - 1808 - 1834.

Document No. 56.

Treasurers Office

Halifax 22d October 1832.

Sir

I had the honor to receive your Communication of the 19th Instant requesting Specie for £676 . - in province Notes, which you state the President of the Nova Scotia Bank has refused to accept in payment of a demand to that amount upon you .

In reply, I beg leave to state, that I have laid your Letter before His Honor the President , who does not deem it advisable, in the present state of the Provincial Currency to direct me to comply with your request.

I have the Honor to be

Sir

Your most Obedient humble Servant

Charles W. Wallace

Treasurer.

*To Pres.  
Halifax Bank.*

*Correct  
In Answer.  
L. D. Grant.*

"Gresham" Complains Halifax Banking Co. Refuses to Redeem Its Notes

The Novascotian  
or  
Colonial Herald.  
1832.

p. 110.

Halifax, December 27, 1832.

## THE CURRENCY.

MR. HOWE,

Sir - About three years since, having occasion for a sum of money, I was under the necessity of borrowing it, and to secure the amount, I gave a bond and mortgage on my property. The time of payment had expired, when having been called upon for the principal and interest, for which, as I thought, I had prepared myself, I waited on the gentleman to whom I was indebted, with the amount, in the Notes of the Halifax Banking Company. My creditor, however, at once informed me that he could not take this paper, that the money lent to me had been paid in gold, (which was true enough) and that his own particular necessities required that the same money, or that of equal value, should now be returned - and that as the company by whom these notes were issued refused to redeem them in specie, I must not complain of him, if, on the present

~~occasion~~

1832  
27 Dec.

occasion, he declined giving them a higher value than was set upon them by the Bankers themselves, and now insisted on his right to be paid in money of a better description. The facts thus stated were certainly undeniable, and he had too much reason as well as right with him, to leave me any thing to urge in reply. Nothing was, therefore, left me but to take back my paper, and pick up the specie in the best way I could. I did so with much trouble, to say nothing of the loss, and my debt was discharged. Not feeling, however, disposed to sit down perfectly contented with the inconvenience to which I had thus been subjected, I was naturally led into some reflections on the very peculiar state of the paper currency in question. It is a subject of deep interest to the whole community, and will on this account, I trust, secure even to such remarks as I can offer, a place in your columns. It is not many years since this Bank, after several ineffectual attempts to establish others, was first formed in this Province. . Of the benefits of such institutions, or

*the*

the necessity which called for them here, I mean not to speak: perhaps in no place has a greater difference of opinion been expressed on this subject. Some have thought that as we got on very well without them, we might still have continued to dispense with their use, while others have hailed them as giving stimulus trade, and supplying all that was requisite for extending commerce, and opening new sources of wealth and prosperity. By their friends they have been compared to the Nile, fertilizing the soil and multiplying its productions; while on the other hand they have been rather likened to certain lean kine that once rose from its waters, devouring all the fat and well favoured. I leave such conflicting opinions to be decided by those more interested in the question - the fact is all I have at present to deal with. This Banking Company was established, and the natural consequences, be they beneficial or otherwise, soon followed. Individuals in general no longer continued to be the keepers of their own cash, and specie was gradually withdrawn from circulation; flowing into

the coffers of the Bank as its natural reservoir, while their notes, then supposed to be of equal value, and in fact issued as such, and given by them in exchange for gold, supplied its place, and spread over the whole Province. And if the Bank-<sup>unimpaired</sup>~~unimpaired~~ ers had kept faith with the public, and maintained ~~unimpaired~~ the character of their paper, there would be, I conceive, no cause of complaint in all this; for I am not inclined to dispute the utility and convenience, or, I may add, the necessity of a paper currency - but then it must be a sound, not a fictitious one; having a metallic basis, and restricted in its issues.

Gold and silver, the precious metals as they are called, are, we all know, the true standard money of all countries. Paper money at the best, is but to supply the place of these, and must, therefore, be exchangeable for these on demand - on this depend its credit and soundness. The issuers of paper money are debtors for the amount which they issue. Now it is of little moment, however respectable, or however wealthy



my debtor may be, if he will not pay me what he owes and I cannot compel him to do so; nor is the case any better if he offers to pay me in other paper, for which I am equally unable to obtain specie. The inability on the part of the debtor to pay, or of the creditor to enforce payment, is to the latter precisely the same - and a Bank, as an individual, that acts upon this principle or rather this want of principle, is no better than one which does not redeem its obligations because it cannot. The issuers of this paper money must obviously, therefore, not only possess the ability to redeem it, but they must be liable to do so on demand - to pay in that which can alone be called money, in that for which paper is but a conventional substitute, and as representing which it derived its only value and its currency - gold and silver.

That in any respectable mercantile community, a Bank could be found which should dare to contravene a principle so undeniable, and to deviate from a practice so universal, might elsewhere be regarded as an experiment little

~~short~~

short of madness - and one which if attempted must assuredly terminate, and speedily, in the ruin of the rash adventurer. But how stands the fact with respect to this company? It has defied all such restraint - laughed at all principle - set at nought all such usage, and sported with the embarrassment, distress, and perplexity which have, and must in still greater degree follow. For the last six or eight months it has broadly and boldly refused to pay not only its own notes, but also its deposit debts, in specie. And no entreaty, however submissive, (and it is humiliating to think that we have come to this) no emergency, however pressing, neither favour nor fear, have been able to extort from them a single coin. What, it will elsewhere be asked, is not the Bank then broken - ruined - abandoned - its character lost - its credit sunk - its paper rejected? not at all so, must be the reply - true, it has thus depreciated its own paper, and the effect of all this is gradually forcing itself on the minds of the public; yet no one has hitherto been found independent enough, or

~~It~~

it may be rash enough, openly to expose these proceedings which in secret he condemns - nay, what is still more singular, and alas! for our once commendable mercantile pride and high minded independence! not only is this measure universally tolerated, but up to this time, it has not even obtained the slightest public notice. To what is this to be attributed - whence this silence - this acquiescence - this apathy and indifference? Is it that the subject is not thought of, or not understood, that such a currency is not unsound - the issue of such paper not an infringement ~~of~~ recognized; or that though its evils are admitted, they are yet regarded as partial or remote? Its practical inconveniences, I know, have not been confined to my own case, and if all who have felt them would venture to speak out, they would be found already to be pretty widely extended. Such a currency indeed cannot exist, without producing its inevitable consequences, and it may be safely asserted that even now all persons without distinction, ~~direct~~

directly or indirectly, are suffering from its effect, as I may yet take occasion to show. In the latter case, the mischief is less apparent, but it is gradually working its way into notice, and where it is more preceptable, it is not always perhaps thought safe to complain. Self interest, that main spring of action, checks at times the rising murmur, and hints that the power and influence of the company are not to be slighted, and certainly the worst possible time to quarrel with another, is when you are in his debt. All have not so good or plausible a reason to alledge; but as usual in such cases, indolence and supineness yield in the first instance an easy conquest: submission becomes habitual, till it is believed almost necessary or at least unavoidable; and to escape from the power which controls us, is scarcely counted worth the struggle it might require. We wait till some glaring fact, some immediate prejudice, some palpable injury, arises to ourselves; and as long as we feel personally unharmed, are indifferent to the inconveniences under which

~~others~~

others are suffering. And yet this is evidently a mistaken policy - if our neighbor's house is on fire, although nothing else can induce us to assist in extinguishing the flames, the fear of sharing in the same calamity will at least rouse us to exertion. It would be casting an undeserved reflection upon the general intelligence of this community to say, that they could not distinguish between a true and a fictitious paper currency. They do in fact well know and act upon the distinction. As if to render the character of their bank notes more strikingly absurd, and in humble imitation of their form, promissory notes of individuals, payable themselves in a paper not redeemable in specie, in other words payable in other promissory notes of the same description, are now creeping into vogue; and respectable merchants in this town have even gone the extraordinary length of accepting foreign bills payable in the same manner, refusing to accept them unconditionally and simply, as they were drawn. Every one knows the effect of such notes and acceptances - that they

*are*


are notes and bills no longer, and no better than if payable  
in rum and molasses. What they are I leave to lawyers to  
settle, who I suppose will by and by, as usual, reap the  
harvest of our folly. Where it is the issuers of this bank  
paper, who make such notes or acceptances, or persuade their  
friends to do so, the reasons and motives are palpable enough;  
they only push to a monstrous extreme the same violation of  
principle which they have already attempted; propping up in  
this way their own paper, which, as they perceive, requires  
all such adventitious support; thereby forcing the holder  
of the bills either to receive (as his wants may require)  
at their maturity, payment in any thing they choose to give,  
or to return them to the drawer, and suffer the inconvenience,  
it may be ruin, from the delay. This, it must be admitted,  
is not much to the credit or the honor of the acceptor; and  
time was, when those who sanction the practice, would have  
denounced it as disgraceful if not dishonest, and unworthy  
the character and conduct of a British merchant. They on

~~the~~

the other hand who take such notes, and such acceptances, when they dare refuse them do not see that while the difference between the value of these bank notes and specie, or notes redeemable in specie, is thus distinctly admitted; they are only upholding and supporting and perpetuating the same inferior and debased paper currency, and bringing upon themselves these and other evils, which are the natural result of their own weakness or indifference. Where all this is to end - to what length this new fangled currency is to be carried, or what is to be its fatal tendency, it is not easy to point out. We already perceive, as in the instance of Foreign Bills to which I have already alluded, that its effects are not confined to this province. If our correspondents abroad with ample funds here, cannot draw without the hazard of having their paper returned dishonored, as it is liable to be if accepted in this way, I leave it to each to picture the consequences which in the end will result to our trade and commerce - and shall we then be surprised to

~~Learn~~

learn that ~~our~~ mercantile name and reputation already suffer; that we are reproved, and deservedly so, for the existence of an evil which our character, our credit, our interest, call upon us to remove; which here and here alone is or could be endured - which in no other place indeed would any company dare to introduce, though bearing the same pre-eminence over the rest of the community as this does with us. A firm, intelligent, independent public, would meet the attempt with the opposition it deserved - and thus ought we to act, if we would desire or deserve the same character. A refusal to receive the notes of this Banking Company, unless they were redeemable in specie, would in one day compel it to do that, which compulsion should not be needed to produce; and a sound and wholesome currency might at once be restored to us - but no, like Sinbad in the eastern tale, we have suffered an artful and powerful superior to mount upon our shoulders, and though we feel the oppression and lament our folly in stooping to the burthen, like him we must yet groan under it

  
awhile, till we learn to know our own strength, and acquire sufficient resolution and courage to ~~to~~ shake it off.

GRESHAM.



~~800~~

"Fellow Sufferer": British Specie Scarce; Complains About Practices of Bank of Nova Scotia

30/12/1833

The Novascotian  
or  
Colonial Herald.  
1833.

Halifax, January 3, 1833.

p.6.

FOR THE NOVASCOTIAN

---

 THE BANKS.
 

---

MR. EDITOR,

The communication signed Gresham, in your last paper, clearly shows the vitiated state into which our currency has fallen, and that some prompt and effective measures ought to be adopted by our Legislature to relieve us from the evils it is likely to create. Indeed my own experience for the last year, has convinced me that some perilous crisis was approaching, and I am right glad that your correspondent has had the public spirit to bring his grievances before your readers, and to chafe the public indignation against one of those monied institutions, which have of late grown up amongst us, and which are likely to be the fruitful source of so many disasters.

The inconvenience which he suffered, however, from the refusal

# 3 28

 18 33  
 Gresham

of his mortgage to accept Bank paper, much as it deserves the sympathy of your readers, is not comparable to the annoyance to which I was subjected during my fall trip to your Metropolis; and when I have related the incidents to which I am about to refer, your subscribers will cordially agree with me in opinion that we are raising no silly outcry, and that our currency is now in such a desperate and lamentable condition, that it is high time ~~at~~<sup>our</sup> economists and legislators should employ their wits in devising some scheme for its amelioration.

. . . . .

. . . . .

. . . . .

About four or five years ago one of your Capitalists, who is now a Director of the New Bank, lent me, on the security of my own bond, the sum of £200 Cy. In the spring of the year I gave him notice, that in consequence of a legacy left me by a rich relation in New Brunswick, I would no longer require the money, and that I would pay off my obligation when I came

~~to~~

to town to lay in my winter supply. In the month of August I went to St. John in the way of business, and then received payment of my legacy. I procured at the time 50 Bogota doubloons for the express purpose of discharging my debt in Halifax, and brought them along with me during my last visit in November. On presenting them to Mr. — the Director, to my great astonishment he took out a pair of gold scales, weighed every one of my pieces with much care, and returned me 15 out of the 50, alledging that they were deficient in weight. He said he wished them as a deposit for the New Bank, and he knew, as who should better? that they would not pass there. I remonstrated, told him that I had no other money, and that I had taken them at the same value as the others in St. John - but it was all of no avail. They did not come up to the standard of the new Bank; (the first time I had heard, by the bye, that it had colors like a Militia or a marching Regiment) and no law could compel him to take them. I then asked him, seeing he had got whip in hand on his high horse, what he

~~could~~

would condescend to receive; for it then flashed across my mind that I had an order on the Treasury for £100, and that he would perhaps take the balance in Province Paper. He entered into a long and vehement explanation of the principles of Banking and currency; explained the rival systems of the two Banks, and the vast superiority and liberality of the New over the Old; eulogised a paper currency, responsible in specie, as he called it; decried the Treasury notes as a fraud, and those of the old Bank as no better; and after oppressing me with a farrago of learning and a set of terms, about which I knew as much as my gig horse, he wound up by telling me he would take nothing in payment but doubloons of full weight or notes of the new Bank "responsible in specie, sir - responsible in specie, - responsible in specie, sir," Such emphasis and fury! The words ring in my ears to this hour. I will never forget them as long as there is breath in my body.

Finding my creditor thus obstinate in his ire, and being anxious to pay off my bond, I made a civil bow, and

~~determined~~

determined to apply to my friends for some of the paper which figured so highly in his imagination, from being "responsible in specie, sir." Surely, thought I, it will be no difficult thing to get £60 of paper belonging to an institution, whose charter gave it the power of making £300,000; and whose operations according to the speakers in the last House, were to be something like a fairy tale. Money, after its machinery was built, and had water, was to be as plenty as frost fish in a mill-dam. I applied to three of my friends with whom I have been in the habit of dealing - all merchants of some consequence and standing in the community, and they each assured me that they had not a note of the new Bank in their possession; and one of them, although the Bank had been in full operation for five months, said to me, that he had only seen one, shown to him as a curiosity, and had borrowed it for a quarter of an hour as a great favor, to show to his wife. It was, he said, a very pretty piece of paper - very; but for all the purposes of business, so far as he was concerned,

~~the~~

the New Bank might just as well be in the Moon as in Halifax. I explained to him the situation in which I was placed, and begged him to suggest some method of relief. He advised me to go to the Bank itself, which I did accordingly; but the Teller refused to take my doubloons for the same reason as my creditor the Director. I then went to twenty stores in the course of the day, but could not obtain a note for love or money. I went home to my lodgings, tired, and not in the best humour, cursing all Banks, Directors, and paper, and wishing both the Old and the New had been in Jerusalem, before the days of Vespasian. (Josephus, you must know, is a favorite author of mine). There was some comfort in coming to town in those happy days of yore, when doubloons and dollars were wheeled about in barrows. Two or three years ago one never heard a whisper against the Province Paper. It passed freely from hand to hand, without a soul ever dreaming to refuse it. Our venerable old Treasurer would indeed in his days have dammed down every grumbler. Till the last spring I

~~never~~

never heard a doubt even suggested, as to the cheaterly of the old Bank Notes - but since this new-fangled chartered Banking Association has set up its head, every thing is turned topsy-turvy. Doubloons wont pass without weighing, so that they are less current than prints of fresh butter; Province notes are a fraud; the Paper of the Old bank ought to be cried down, and nothing should be allowed to circulate but the notes of the new Bank, because they are responsible in specie; and yet those which ought to be current, cannot be current, because - a poor countryman like myself, after hunting a day with doubloons in his hand, cannot catch one of them, although I applied to 20 people, and many of them Stockholders in this institution.

. . . . .

. . . . .

. . . . .

I bethought myself I would take advice. Accordingly I applied to Barrister \_\_\_\_\_, a promising young scion, and a son of

~~the~~

an old friend of my father's. He took my fee, heard my story, looked very grave and learned upon the occasion, and told me to come back next day, when he would have "time to look into the cases." I could not see what his mahogany cases could have to do with my business, but as I have made it a rule in life never to put questions about things I did not comprehend, I kept my wonder to myself. At the appointed time, I waited at his office, and was forced to sit under lecture the second upon Banks, Currency, and the doctrine of tender. To my utter surprise the young counsellor concluded by telling me that it was his opinion, that there was no legal way of paying a debt in this province, except in British gold and silver coin, which could not be had. That Province notes were not a legal tender, or old Bank Notes, nor doubloons at £4.

"Oh but you forget," said I, "the Notes of the New Bank, responsible in specie."

"These are no more a legal tender than the others."

"And when pray was this wonderful discovery made?"

~~"Since~~



"Since the New Bank went into operation."

"The d — take the New Bank and all its supporters" said I, "so I can't pay my £60,"

"Most certainly you cannot force Mr. — to accept the sum unless you pay it in doubloons or Notes as he requires it; or as I have already told you, in British gold or silver coin. But these are not to be had, and if they were, you would lose the premium."

"And how much might that come to?"

"About £16 upon the £100 or £9 upon your £60."

. . . . .

. . . . .

. . . . .

In this difficulty I applied to an old friend, who had been a School-fellow of my father's, and had not become proud enough to forget the time when they were wont to play marbles without shoes - their parents being then less well to do than their descendents at this time. He took my doubloons,

~~gave~~

gave me £60 of old Bank paper, and desired me to carry them down to Mr. Hill, to present them with his compliments, and to request him to exchange them for gold. I did so, and instantly received 15 doubloons. I carried them to Mr. — who weighed them as he had done the others, and finding them all right, handed me my obligation, with a discharge in full. As I came out of the door he asked me dryly where I had got the gold. I told him the simple truth. He chuckled over the story with great glee, and rubbing his hands, exclaimed, "Ay, that's the way we'll work them." He drew in his horns, however, and looked rather chop fallen, when I said coolly "that his New Bank was certainly a more liberal establishment than the Old, and that it was high time Mr. Cogswell's paper should be cried down." I had half a mind to cut him, by giving as a reason that it was not "responsible in Specie."

Had neither been in operation, all this trouble, of which we both have such abundant reason to complain, would have been spared to your correspondent Gresham, as well as to

Windsor, December 30, 1832.

Yours,  
A FELLOW SUFFERER.

"Gresham" Complains About the Practices of the Halifax Banking Co.

The Novascotian  
or  
Colonial Herald,  
1833.

p.6.

*"Gresham" - Exports of Bank Notes irredeemable in  
- 2nd Ed. Halifax Hal. Bk. Co. specie.*

*3/1/83*

Halifax, Thursday, January 3, 1833.

## THE CURRENCY.

MR. HOWE,

Sir, it must be in the recollection of every one, that a few years ago this Province abounded with a debased Copper Coin, some of which was indeed little better than so many brass buttons. A general outcry, and a very proper one, was, however, at length raised against it; and this miserable trash was driven out of use, and has now entirely disappeared. More lately still, an opinion became current, that the pist-reen was passing at a rate much above its value, whether it was in all respects so correct may perhaps be questionable, but the general impression prevailed, and this coin too acknowledged that controlling power which resides in every community, of correcting the vicious state and character of its currency, by falling at once to what was supposed to be its true value, at a loss of one sixth of its then received rate.

But neither this depreciated silver coin, nor yet these false copper tokens can compare, in the degree or extent of their mischief, with the singularly degraded state of our present paper currency. This paper, in itself valueless, as all paper money not redeemable in specie, must necessarily be, and which can alone possess any value from its having this exchangeable quality, is now issued among us to an unbounded extent, usurping, but not supplying the place of the precious metals - obtaining the name but without the real properties of money - insufficient for the payment of debts where the creditor, as ~~must~~<sup>must</sup> soon be universally the case, refuses to accept it - received neither at the Custom House for duties, nor at the tea Sales for that which may now be termed one of the necessaries of life - and which apparently adding to our general stock of wealth, does, in fact, but impoverish us, by driving away a true and better currency, while it enriches alone the Company by whom it is issued. How is it then, that public opinion, so alert and effective

~~in~~

in the one case, has ceased to exercise its usual vigilance, and no longer puts forth that salutary control which the occasion demands? I fear that but one reason can be assigned, and that is to be found in the power and rank and influence of this company, which must indeed be excessive when they can overawe and subdue not merely the expression of feeling, but the very exercise of our reason and judgement. What the Bank of England could scarcely effect under the extraordinary pressure of the times, in that necessity which almost makes a law for itself, and with an act of Parliament to assist it, this Company without the slightest cause, in the mere wantonness of power, and for its own private ends, has undertaken of itself to accomplish. And upon what do they ground this right to refuse specie when it is demanded in payment of their notes - how do they answer their creditors, and send them away empty handed but contented? We will not give you specie because we are not obliged to, and the law cannot compel us, is the only intelligible language into which their conduct can be translated.

translated; and we must, to be sure, humbly rest satisfied with so condescending an answer; the first of the kind, I imagine, which was ever given by a solvent Banker.

. . . . .

. . . . .

. . . . .

Let us only imagine for a moment that the gentlemen who compose this Company, when they announced to the public that they had associated themselves for this new enterprise, and solicited its support had stated at the same time the system they intended to pursue, and the principles by which they should be governed; had explained the form and language of the note which they were about to issue, and the construction and interpretation which they should give it, had explicitly declared that the holder of it could not claim payment in specie, as a right, and therefore could only obtain it as a favor, which they might grant or withhold - that the option of so paying was with themselves alone, and that whenever it suited

~~their~~

their convenience they would enforce that option and exercise their right, no matter how inopportune or disadvantageous it might be to others - that they would open accounts readily with all, accept deposits, receive gold one day which they would not be bound to return the next, and which they openly forewarned their customers they would hereafter refuse to return, or to pay in deed, except in a paper not exchangeable for gold.

With this fair and honest avowal, as it would have been, before their eyes, would this community, is it supposed, have been so ignorant or so weak, so indifferent, or so infatuated, as to offer itself a willing victim to its own ruin; and to take up and nourish that which, as soon as it had acquired strength, was to drain the very life blood of circulation, and prey on the vitals of our commerce. Such an enterprise could never have succeeded - no, not even here would the company have ventured upon such a disclosure of its designs. Who on such terms would have resorted to its counter,

94

or have paid in their doubloons to receive back such paper - who would have exchanged their old lamps for new ones if aware of the magical effects that were to follow? And yet all this is precisely what these bankers have in fact since done. They did not indeed avow it before hand; and in truth nothing of the kind was or could have been suspected; the violation of all rule, the deviation from all known practice of all countries, could never for a moment have been anticipated; and individuals of all classes who transacted business with them, or who received their notes in their dealing with each other, gave up their unsuspecting confidence to the well established credit and honor of the individual members of this company - they felt secure no less in their responsibility, than their ability, to pay their notes in that manner in which Bankers' notes and obligations were alone every where payable. For this confidence and belief they had the general practice and dealing of the bank itself as an additional pledge, and the redemption of their notes and payment of their debts in gold

~~for~~



for the first six years or more out of the seven of their existence, was a confirmation to the public of the sound principles upon which it must have supposed this Banking Company to have been established - so strong indeed was the reliance on the honor and integrity of its different members, that had their present singular conduct been mentioned a few years back as likely at this day to have occurred, it would have been received as a slanderous fabrication, and devised only to injure their reputation. Some occasional instances there undoubtedly were of an unwillingness to part with its gold, and some faint attempts on the part of the Bank to exercise the right now contended for, of refusing it in payment of its notes, but the very failure of the attempt was but a clearer abandonment of the right. One instance in particular has been understood to have occurred some few years since, in which payment of their notes in specie was demanded by a highly respectable merchant of this town, and at first positively refused by the Bank. The claimant was however equally resolute

set out, and the principles  
on which they had

in asserting his right, and recourse was had to a gentleman of the law to enforce it - but matters were not yet ripe enough on the part of the bank to undergo this public test and exposure; and the result was, that their claim was in effect abandoned, the option of the holder recognized, and the practice with which they had heretofore acted, were now confirmed, by their compulsory payment in gold of the identical notes which had been before refused payment. Perhaps other similar and ineffectual struggles may have been made by the Bankers to put off as they best could, those who came with the like demands; but the more frequently they occurred, the more plainly did they establish the right of the holder to demand specie for their notes at his option, as it was a right adversely insisted on by him, and reluctantly conceded by them. At the time alluded to, this company had not acquired perhaps that extensive power, that commanding eminence from which it might look down and defy opposition - but if it was compelled to retrace its steps in the above instances and to submit to a partial

~~and~~

and temporary defeat, it has certainly now recovered its lost ground, and repaid with heavy retribution, the *mortification* which it then sustained. Under a pretence of guarding itself against a drain of its gold, when a second Bank was about being established, (and the end with some has ever justified the means,) the company again renewed its attempts of refusing payments in specie; no declaration of such a design was made public - no intimation or notice of it escaped them - so secretly was it kept and so suddenly put in practice, that those who lodged their specie with them one day, to the amount it might be of some thousands of pounds, were the next denied a single doubloon. And those who had not yet learnt the character of the bank which they frequented, were seen paying in gold in exchange for their notes, at the same moment that it was refused to others for the same paper. Can this be justified, palliated, softened down? will it bear the test of good faith and fair dealing? does it accord with the high character of the banker, the honor of the merchant? For my

*W.H.H.*

own part I declare that in the whole course of my dealings with the bank, and it has been to some considerable extent, I as fully believed them incapable of such conduct and as implicitly relied, when I paid gold in, of receiving it again when my wants required it, as if I had obtained the most binding guarantee for it which a lawyer could draw up. Their names were my pledges, their characters my bond. And now that they have so strangely disappointed my expectations, I cannot recur to their proceedings without amazement, nor read over the head-roll of such names as compose the Company without feelings of sorrow and concern. As individuals they would have scorned to act in this manner - would have spurned the bare imputation. How is it that a partnership in wrong should be supposed capable of diminishing the fault or dividing the blame - can it be treated as a matter of speculation, to be transferred to the ledger as an an item of profit and loss?

The cause, at least the ostensible and alleged one,

~~For~~

for this suspension of cash payments, passed away, but did that also cease with it? did the company, now that its fears, if not its jealousies, of a rival might have subsided, return again to the fair and honorable dealing and sound principles of banking, and resume its payments in specie? To this day it still, in the most unqualified manner, refuses to do so.

With whatever secret indignation the measure had been received, it met at least no open resistance; the murmurs which could not be altogether suppressed, were at all events harmless; the influence of the company had in fact gained the height to which it aspired, and its power was now irresistible - it felt its strength and seized on this occasion to prove it. Emboldened by the success which must have even surprised themselves, and seeing the immense advantage, the incalculable profit, which it might thus acquire, at the expence to be sure of the unfortunate public, it has still recklessly proceeded in the same humiliating and unjustifiable course - and thus we find this Banking Company now at last permanently



~~establishing~~

establishing the anomalous practice which it claims for itself, and unrestricted in the amount of its issues, inundating the Province with this precious irredeemable paper currency.

GRESHAM.

Peter Congo: Gold or Bank of Nova Scotia Notes, But Not T. N. or Halifax Banking-Co.  
Notes, Acceptable for Payment of Debt

The Novascotian  
 or  
 Colonial Herald,  
 1833.

P. . . . .

Halifax, January 1<sup>st</sup>, 1833.  
 7/1/833  
 FOR THE NOVASCOTIAN.

TO A FELLOW SUFFERER.

My Dear Brother,

As I am one of the family which you know is pretty numerous, you will not be unwilling to help me out of my difficulties, now that you have got over your own. Having purchased a lot of Tea at the last sales, I am in the greatest straight about the payment. I thought just as you probably did, that our Treasury notes would readily pass every where, but the Agent would have nothing to do with them: well thought I, no matter, I have provided myself with a substitute for them, which at least he will not refuse, and I pulled out a roll of notes of his own Bank, and offered them; but dear me, what could be the matter? he would hardly look at them, they were no better than the others, they would

~~answer~~

*Peter Congo: - difficulties in paying for tea: nothing but gold acceptable.*

*1833  
 7 Jan 4*

answer very well among ourselves he said, but the India Company could only take gold. I happened, however, to have among the others, one of the pretty notes of the New Bank, and it was wonderful how soon it caught his attention. I suppose it was as you say such a rare curiosity. Oh! that will do said he, bring me those or doubloons, I don't care which, and you may take away your tea. And where am I to get them, I asked; for at this time, I had not seen your letter in the newspaper; he told me very civilly he really did not know, but perhaps I could find them where I had met with the one I held in my hand. I took the hint and set off on the search, but as you very truly say, I could see nothing of them; indeed at one place they laughed at me outright when I asked them to exchange some new for old Bank paper, and when I told them what I wanted them for, they replied that they knew their value as well as the tea agent. I thought indeed I was pretty sure of success when on going into one counting house I saw a parcel of them on the desk before me;





"Veritas" Defends the Halifax Banking Co.

*W*

The Novascotian  
or  
Colonial Herald.

1833.

pp. 10-11.

Halifax, January 10, 1833.

~~1833~~  
FOR THE NOVASCOTIAN.

MR. HOWE,

*1833  
10 Jan*

Sir - Deeply interested in any question connected with our commerce, I sat down with much eagerness on receipt of your last number, to learn what your friend Gresham had to offer upon the difficult subject that headed his letter - "The Currency." My disappointment was great, I assure you, for instead of finding that impartial and considerate enquiry the subject so much needs, the whole proved a tirade against the Halifax Banking Company - not one word have we of the Nova-Scotia Bank or the Provincial Government Paper, upon which this latter bank seem at present to be doing their chief business, which very naturally leads me, as it must the public, to the presumption, that Mr. Gresham has a very strong interest in that Bank, and who, it would seem, not

~~Howe~~

content with their attempts to run the Halifax Bank to death in one way, is thus determined, by an ingenious method of connecting sound argument with unfair and false statements, to undermine and run their good name out of credit in the Province.

Having been for many years engaged in business in Halifax, I was one of those who considered the establishment of a Bank, with an issue of safe paper on a liberal principle, not only expedient but absolutely necessary, for the extension of our trade, as it must be, in every Colony where the importations so far exceed the exports, as is the case here; and therefore, hailed (as Cresham observes) the formation of the Halifax Banking Company, as every way worthy of being acknowledged all sufficient for supplying the requisite facilities for our commercial operations, and immediately on its commencing business, opened an account with the Bank; which has continued to some extent until this day. I have thought it necessary thus to premise the remarks I am about making to

~~Cresham~~

~~W.H.~~  
Gresham and the Public, in order to explain how I become capable of judging "his facts with respect to this company," which I conceive in justice due to the Bank in question, and which, I trust, will be a sufficient excuse for my thus troubling you.

After explaining the principle upon which a sound paper currency can alone be issued, viz. by its being redeemable in specie, he says "that in any respectable community a Bank could not be found that should dare to contravene a principle so undeniable, might elsewhere be regarded as an experiment little short of madness - but here, we have one, that has laughed at all principle, defied all restraint, set at naught all such usage, and sported with this distress it has led us into, and the perplexity that is to follow." Now, certainly, Mr. Gresham, this statement of facts of yours is, (to use your own words) an experiment upon the public little short of madness, or my business faculties have been strangely spell-bound for the past six or seven years - let me ask,

~~W.H.~~

whence came the gold that I in common with others have received, when required for our purposes, for this period? those who have done business with the Halifax Banking Company must, I think, acknowledge with me, from that establishment in exchange for their notes; not in exchange for their notes only, but also from deposits of our treasury paper.

It is a fact well known to all the mercantile community, that ever since and indeed for a long time before the establishment of the Bank, every description of coin had been withdrawn from circulation as soon as it appeared, for the purpose of remittances to the United States and in many instances to England; not only I may add, what was in circulation; but large amounts taken directly from the bank in gold, by individuals for this purpose, whenever a trifling gain over Bills of Exchange was obtained. It is also as well known, that to supply this demand, and to afford accommodation to the public, this bank has been obliged to make constant importation of gold from the United States and consequently

~~often~~

often at a heavy loss. Is therefore, I should ask, this long and well known usage of the bank, what Gresham calls laughing at all principle? and as to its sporting with the distress and perplexity of the public, I can safely say, I have never heard of a single instance of individual distress by law or otherwise, by the company, since it commenced business. Of its refusal to pay out gold these last six or seven months, and the cause that led to it, I shall presently have occasion to speak.

Thus went on the operations of the Bank with the highest credit to itself, and affording every accommodation that could reasonably be expected to the public, for nearly seven years. Individuals were to be found, no doubt, who felt dissatisfied at not being accommodated to the extent they wished; but in what community, where a like institution was established, would this not be the case. About this time (that is after the Halifax Bank had been in operation for upwards of six years) the establishment of a second Bank was talked

~~of~~

of, a general meeting held, the subject brought before the legislature, and finally came forth to the public, as the Chartered Company of the Bank of Nova-Scotia. From this period are we to date the commencement of our difficulties in the currency - up to this time (and certainly time enough to test the principle and usage of any Company;) few were to be found that would cavil at the currency of the Treasury and Bank Notes - if gold could not readily be obtained for the former, it could for the latter; and thus were we supplied with coin for payments at the Custom House - Tea Sales and for any other occasion. Whether the promoters of this new company were actuated by the conviction of the necessity of a second bank, or any less worthy motive, I leave to the public to judge; but that they very early showed the symptoms of opposition to the Halifax Bank, and of their ultimate design to put it down, or as it was explained at the meeting, to merge it into the new Company, without any regard to the embarrassment the attempt was likely to cost the community; is not now to be doubted - nay, even

~~and~~

amidst the warmest appeals of liberality, its promoters had not the modesty to conceal those bitter feelings of enmity, that have since burst forth, (as I shall presently explain) and so deservedly lowered them in the estimation of the public.

The principal difference existing in the constitution of the two Banks is, I believe, well known throughout the Province. The copartners of the Halifax Bank being bound to the public conjointly and individually, for the whole amount of their issues in paper, which is made payable in gold or Province Notes. The Chartered Company being bound to the public only - to the amount of their individual shares, and their paper made payable in specie. The state of our currency, or circulating medium, was, it would appear, completely eclipsed by the dazzling glitter of the immense returns so glaringly set forth by the promoters of the Nova-Scotia Bank, to the many shareholders that embarked in the speculation, and when the time arrived for the necessary instalments to be made, the difficulty of procuring specie to set, as well as keep the

~~Warrant~~

machine in motion, first presented itself in its true light. I very well recollect that at the first general meeting held to take into consideration the establishment of this Bank, the question was started, what was our currency? was it gold, silver, province or Halifax Bank Notes? it was very well known and admitted, where all the gold then in circulation came from - silver there was none - and province paper would not answer - how then could all the coin be found, that would be required by the law that was to make them a Chartered Company? Halifax Bank Notes, it was observed, were our chief currency, when the leading character of the meeting very jocularly put the matter at rest by remarking, while we have plenty of them, we shall never want gold. I mention this, as well to show how necessary it was thought at that time to wink the difficulty out of sight, as to remind Gresham, (who I suppose was present) what was considered, (even by its enemies) the principle and usage of the Bank he so much abuses, for the then past six years. The mode of obtaining gold thus ~~justly~~



jestingly made at the expence of the Halifax Bank (for who for a moment could be thought seriously to entertain the unjust and illiberal intention, of forcing the gold for such a purpose from the Bank, that, as I before observed, had been in the habit of importing and paying it out for the accommodation of the public, at this very early stage of their proceedings,) has, is well known to the community, been shamefully adopted by the directors, instead of importing or otherwise procuring the necessary coin to commence business. The Halifax Bank thus menaced, thus run upon by the Nova-Scotia Bank, the company were forced to avail themselves of the issue of Provincial Government Paper, for the time, in exchange for their own notes, as long as that paper lasted them for the purpose. This manner of payment has continued until the present day, except when deposits of gold are made, when same amount can be drawn out at pleasure.

Until this crisis - until thus the Gold was forced from them in so unlooked for and illiberal a manner, did this

~~Early~~

Bank for nearly seven years, pay both its deposit debts and its own notes in specie in demand. I know but one instance, where any hesitation was made, and that one occurred at a period when Gold was imported at a very heavy loss, and the impropriety submitted to the individual who demanded it, of then taking a large sum for remittance to the United States, from whence it was then landing; the demand was insisted on, and the amount paid. Are not those facts fresh in the knowledge of the public? Does Gresham suppose that by any false calumny or artful accusation of his, the independent, liberal and safe principle upon which the Bank in question has so long been conducted, can at once be obliterated, and they will cease to regard in its proper light the temporary refusal to issue Gold? does he suppose that their being thus forced by the conduct of the Nova Scotia Bank to a measure as much against their inclination, as principle and usage; that the embarrassments resulting from it will not be considered by the public as an injury done them by that Bank? can he think that

~~the~~

the public are to be so far blinded by his reasoning as not to cast the obloquy where 'tis due, for whatever perplexity may follow? certainly he cannot, if he would review the operations of the Halifax Bank, since its commencement, and the circumstances that have produced the late change in their issue, with a judicial impartiality. I am supported in what I thus say, by the conduct and feeling of the public, so decidedly expressed in their paper, admitted by its increased circulation to this day.

Elsewhere, as Gresham observes, it may be asked, is not this Bank broken ruined, abandoned? true wherever his opinion of it is alone circulated, it would be the case; and even there, the fact must naturally tell them, not until the Government is broken, ruined, its character gone, its credit lost; for 'tis in this paper only, and gold, their notes are made payable, and the payment of Treasury paper he would explain, as the sole cause of their insecurity and depreciated character; but in this town, in this province, the character of the

~~Bank~~

Bank is too well known - its liability, and consequently its security, so far greater than any chartered Company, too well acknowledged by an intelligent public, to be harmed by an enemy who considers its destruction as a necessary measure for their own success. A refusal to receive the notes of this Banking Company, Gresham observes, would in one day compel it to do that which compulsion should not be needed to produce; let me ask him if a refusal to receive those notes, and compulsion also, has not been already used by a very powerful party in the manner I have stated? let me ask him when insult was added to <sup>the</sup> attempt, by offering the one hand in professions of amity, while the other was basely endeavouring its destruction, how did the public then receive the proceeding? can he but acknowledge, by reprobating the measure with the same feelings, that the Halifax Bank spurned their faithless proffer of friendship.

The mode of making notes of hand payable, and of accepting foreign Bills, which Gresham complains of as now

~~accepting~~



"Gresham" Continues to Attack the Halifax Banking Co.

The Novascotian  
or  
Colonial Herald.  
1833.

p.18.

*Gresham's 3rd letter  
attack (cont'd) on H. B. Co. for suspension of specie  
payments.*

Halifax, January 17, 1833.

FOR THE NOVASCOTIAN

THE CURRENCY

Sir,

In a former number, I have touched upon the general applicability of the rule which requires that all paper money should be redeemable in gold, on demand. It is one that cannot admit of exception. The supreme power of the state, has, under very peculiar and extraordinary circumstances, in one solitary instance, interposed and authorized the temporary suspension of cash payments, and even the propriety of this has been very much questioned; but no time, no circumstance, no situation, can give to the issuers of such paper themselves, a power so arbitrary and so dangerous; once conceded to them, it could not fail to be exercised; and once exercised, the

~~confidence~~

confidence of the public must be lost forever; for what security can there be that it will not at any moment, and for any purpose, be again put in practice? . . . . .

. . . . .

. . . . .

. . . . .

In a Province like this, where the balance of trade with most other countries, and consequently, the Exchange, is against us, it may be considered as next to impossible to prevent altogether the exportation of gold. We might as well attempt to retain water in a sieve. The necessity of this is, to be sure, in a great measure obviated by means of Bills of Exchange, which are the paper currency between people of different countries, as Bank notes are between those of the same place. The price of these Bills, affected to some extent, certainly, by the demand for them and the supply, is, however, regulated by the relative value of gold between the two provinces, adding the expense of transportation. Now, if gold

~~1000~~

itself is not required, for the purpose of being sent abroad, it must be for the purchase of such bills; - or, if these are to be procured, with a paper inferior in value to gold, just so much as is necessary to bring it to a par with gold, must be added to the cost of the Bill. In either case, therefore, gold is absolutely necessary, or can only be dispensed with at a positive loss. But, admitting that some ingenious system, that of the Halifax Banking Company for instance, could be devised, by which the use of gold could be laid aside as an antiquated and cumbrous invention, superseded by the lighter fabric of the paper mint, what would be the result? though we might agree to take any thing else as its substitute, an irredeemable paper, or a painted cockle shell, would strangers submit to this convention? If for foreign articles of merchandize, imported into our Province, payment can only be obtained in spurious paper, current among us, as its value is below that of gold, so will the price of these articles bear a proportionate advance. With such money only within

~~101~~



our means with which to enter the market, we shall find that another customer, possessed of a better, whether gold, or notes that are equal to it, because exchangeable for it, can purchase at a lower rate than ourselves. Every article in such a state of things becomes dearer to the consumer, while the seller gains in fact nothing by the rise. Now, this is precisely our present situation, and is exemplified in the every day transactions of every individual, though he may be scarcely sensible of it himself - let him, for instance, apply to any of those very Bankers for the purchase of a barrel of flour, or a Bill of Exchange, and he will learn the difference which they make between their own paper, and a better currency. We hear of the premium which gold commands, and do not appear conscious of the fact, that it is rather the paper, with which it is purchased, which is at a discount. This must be apparent to any one who will give but a moment's thought to the subject. Simultaneously, and on the instant, with the unprecedented as an unwarrantable and disreputable suspension

~~101~~

of all cash payments by this bank, a marked difference between the value of gold and their notes, took place. Was it gold, the true standard, which so suddenly and immediately rose in price? Not at all. The Bankers by this act declared as publicly as if proclaimed by the Town Crier, that their notes were no longer of the same value: if they did not consider them so, would others give them a higher value? Money, like water, will always find its true level, and this fell at once to that state of depreciation in which it has ever since remained. Does any one still doubt the truth of this, let him offer these notes for sale, as has been more than once talked of, at public auctions, payable in specie, and see what they will produce, and learn from this the true estimation in which they are held.

And, is it strange that such a paper should be productive of such results? Have we no facts to guide us - no example to warn us, if our reason fail to point them out. We cannot surely forget the period, when Bills in England,

~~the result~~

instead of bearing a high premium as now, were at a more than corresponding rate of discount; the difference between their then and present value, being no less than 40 per cent. This enormous depreciation to which they were subject, was during the period when all cash payments were suspended by the Bank of England; a circumstance not merely afflicting that kingdom, but whose influence extended with its commercial connections, to every part of the globe. Bills purchased here with gold were to be paid at home in a currency of less value than gold; and to the same extent of depreciation to which the Bank of England notes had sunk, did the bills payable in them necessarily fall. Between the years 1809 and 1814, a period corresponding with that in which Bills were here at their lowest rate, this depreciation in England, owing to the unlimited issue of their paper, and its irredeemable character, varied from 10 to 25 per cent; creating with its changes extreme fluctuation in the price of every thing, and producing unexampled confusion and misery. It was, probably,

~~From~~

from such facts as these, that Sir Henry Farnell was led to that strong and expressive declaration, that "no calamity that could befall the country from the vicissitudes of war, short of the actual conquest of it, could be more calculated to expose it to immediate embarrassment, and ultimate ruin and bankruptcy, than letting the banks loose upon the public to issue whatever quantity of paper they pleased;" for he soon after states, that "if bankers are subject to the obligation of an immediate and unconditional payment of their notes as soon as presented, the trade of Banking may with perfect safety to the public, be rendered in all respects free."

But to proceed to another branch of the subject. It has already been casually remarked, that this irredeemable paper is not received at the Custom House, and in this the whole of our foreign trade is directly concerned. If the Bank which supplies the greater part of our currency, and possesses such unbounded controul over the whole of it, which collects in every possible way every coin within its reach, can, when

~~Wt~~

it suits its purposes, to forward its own views, wholly suspend payments in cash; how is the importer to pay the duties to which his cargo is subject? Must he delay the entry of his vessel until he can search for that gold which the Bank refuses, and which their notes cannot purchase except at a loss? Or is it right and reputable that he should be found at their counter, anxiously and submissively entreating, beseeching, imploring, as an insolvent trader, needy and ruined, and bankrupt alike in fortune and credit, for the favor, the boon of a little gold; while, in truth, he stands there as a creditor, presenting the unnumbered rolls of their own notes, for which he asks payment of but the smallest part, but asks in vain. Their paper then, it is evident, does not afford what a sound circulating medium should in all cases supply.

This is to be sure wrong - bad enough in all conscience; and, if it stood alone, quite sufficient to call loudly for redress: but it is not the only evil - no, nor the worst to which it subjects us. To put a stop to the illicit

~~importation~~

importation of tea, and to give us the means of purchasing this article at a cheaper rate than heretofore, and under the most encouraging facilities, the East India Company established their warehouse in this place for its sale. And with what are we to purchase it? with what should we do so, but with the currency of the place? And will this be sufficient? Our merchants and traders from all parts of this province, and other places, resort thither at the quarterly periods of sale, and what do they there hear announced to them? That this paper will not purchase the article for which they came - that gold, or those notes which will produce gold, will alone be received in payment for tea.

And by whom is this information given - who is he that thus openly and publicly makes known the depreciated state of such paper, and its utter uselessness for the purchase of one of the necessaries of life, in which so immense a sum is annually expended? As if to prove the shameful character which it truly possesses, and to what extreme point our patience

~~and~~

and endurance, and submissiveness, may with impunity be pushed - how far we may be trifled with, deluded, insulted, trampled on; while with the utmost effrontery, we are told that the public are satisfied with their paper, and that the opinion in support of it is decidedly expressed, the very person who sells the tea, and publishes the terms of its sale, is himself one of the Bankers whose notes he thus refuses to take. His language to those who attend his sale is, in truth, no less than this, "Gentlemen, my Copartners and myself have established a Bank, for supplying an efficient currency of safe paper upon a liberal principle, have issued notes by thousands and tens of thousands, till they have become the great circulating medium throughout the Province, passing freely as gold itself, whose place for all necessary and practical purposes they were to supply: but it has been all a mistake: they are not money, are not equal to money; in short our Bank notes are not Genuine Bank Notes, and I will prove it, for I will not take them for my tea, because we will not redeem them in specie." How far

~~His~~

this is in accordance with the views of the East India Company, and in what way it promotes their interests, I leave to those, who can make the discovery, to answer. Possibly some one more largely engaged in the tea trade than myself, and who has partaken of the blessed effect of such management, may yet enlighten us on these points. My object alone has been to shew how far we are effected, in what manner our interests are involved in the matter; and this can no longer be matter of doubt. The paper then of the Halifax Banking Company is neither, upon principle, a sound and efficient one, nor does it practically afford that accomodation which our trade and commerce and circumstances require. It cannot supply our wants, is not suited to our necessities, and is productive alike of the most revolting absurdities, and embarrassments the most cruel and unjust. I speak only of its positive evils - its probable effects, the mighty engine of oppression and wrong which it may be made, I here omit to notice. This suspension of cash payments is well now conceded

~~W.A.~~



to be against principle and usage - the wrongs and injuries of the public can no longer be disguised or denied. How is it that while this Bank is said to act upon independent, safe, and liberal principles, such unexampled conduct can be perseveringly continued? Have they the means of paying in specie, or have they not? if they have it not, and cannot discharge their obligations with credit to themselves and advantage to the public, it is the merest mockery to tell us of the character, and credit, and liability of such an institution. If on the other hand they have within their coffers the means of redeeming their obligations in specie, and will not, it is the unequalled contempt, the grossest insult which a Bank can offer, or the public receive.

GRESHAM.

"Grocer" Champions the Bank of N. S.

~~The Novascotian  
or  
Colonial Herald  
1833.~~

~~p. 26.~~

*24 Jan 1833*

*"Grocer" champions the Bank of N. S.  
2/11/1833*

Halifax, January 24, 1833.

MR. HOWE ,

Sir, - In the number of the doughty champions who now sally forth in defence of the Halifax Banking Company, I observe a "Small Trader," in the Journal of this day, (who talks of "French Assignats," having no doubt read John Law's system of Banking, in the Paris edition) kindly tells us the exact amount of specie which his patrons have imported, the loss they have sustained, and likewise their intentions for the future; those gentlemen were not always wont to be thus communicative.

I care not for the false mantle which covers this writer, but I do for his false statements,; it is the sign of a bad cause, Mr. Howe, when to sustain it, a man must depart from truth. He says the Nova Scotia Bank paid him Province paper, and refused to take it again; when was he thus treated? that a public notice from the Bank, was to the

*[Signature]*

same effect; and having issued it, they were induced to alter it; Let him prove this also.

Was it not the Banking Company's paper which superseded our metallic currency, and drove all the gold into their own coffers? In those good days of which he so pathetically speaks, there was "a natural and easy transition" to and fro' between the Banking House, and Peter Congo's present warehouse for his tea, before he could collect the Nova Scotia Bank notes to gladden the heart of the Agent.

What a grateful ejaculation does Fair Trader pour forth, that the Halifax Banking Company protect the Province Paper. Disinterested Patriots!!! who lock up a small portion, and issue on it your own notes without limit, without restraint, and thus reap all the advantages which could arise from a paid up specie capital.

If paper is to be declared by the solemn verdict of a Jury equal to money, if copper plates and a printing press are to be esteemed of like value to, and are to answer in

Nova-

Nova Scotia all the purposes which in other countries call for the wealth of the mines of Peru, then give to her commerce, foreign and domestic, a Provincial Paper Currency. Let there be no deception in the tenor of the notes, no word specie in italic letters to lure the ignorant - no promise held out which its framers do not intend it should fulfil.

I am, Mr. Howe,

Monday, 21st Dec.

A GROCER.

[must be Jan.]

~~As Jan 21, 1833 was a Monday  
and Dec 21, 1832 was a Friday, December  
here is evidently a mistake for January.  
(See 11 - Sun Thursday Jan 3, 1833)~~

"Publico": Possible Effects of Forcing the Banks to Redeem their Notes in Specie

*Publico: - Re Banks' attack on each other and state of the Province Paper*

The Novascotian  
or  
Colonial Herald,  
1833

Halifax, January 24, 1833.

p. 26.

SIR,

Permit me through the medium of your paper, in addition to the much that has been lately said, respecting our Currency, to offer a few hastily written remarks; and in doing so, I make no pretensions to any profound acquaintance with political economy, or the utility of Banks, and paper money. On these topics even learned Doctors disagree. But there are some things connected with the discussion, in which every member of the community is interested, and which requires some consideration and explanation. ....

.....

As a suit is now pending in the Supreme Court to compel the Old Bank <sup>[the Halifax Banking Co.]</sup> to respond its paper in specie, the question is - How far will we, who are merely the embrasures through which these rival establishments attack each other, be affected

*AM*  
*24 Jan 1833*

*1833*  
*21 Jan*

*W. L. ...*  
*Halifax*

*W. L.*

by the measure? In the first place it must be evident, that the moment the Old Bank is compelled to redeem its paper with specie, the Province Notes will not only be depreciated, but rendered nearly useless as a current medium of business. Of course they will be refused at the Bank, as they already are at the Custom House, and at the Tea Warehouse. What then are people to do? "O, but the Province will then be obliged to call in its paper, and pay its debt in specie, plenty of which can be supplied." Very good. But what in the meantime are those to do who have nothing but this paper to pay their debts, or provide for their subsistence? Will the impatient creditor, perhaps as needy as his debtor, wait till this affair is settled - or shall the poor man who depends on it to purchase a barrel of flour for his children, say to them - "have patience - don't be hungry till the gentlemen of the Bank have arranged matters to their satisfaction, and until our wise and great men who assemble in the big house, have settled the business with their usual promptitude and expedition."

~~1774~~

In the establishment of the first Bank, it was, in my opinion, a judicious regulation to maintain the credit of the Provincial paper. But I think, with all deference to the superior judgment of our legislators, it should, if possible, have been made efficient, at least as regards our domestic trade, for all purposes of business. It is now a great grievance - an imposition - I had almost said an absurdity, that duties in the Custom House cannot be paid, nor one of the most common articles of daily use (tea) be obtained by the money which almost exclusively is in circulation among us. The broad principle, that all paper currency, which is but the representative of the amount in specie, stamped on the face of it, should at all times be available when required, for that amount in solid coin, cannot be fairly controverted, and eventually it must come to this - no banking establishment can long exist without it. But in the present state of our currency and the circumstances connected with it, it would in my opinion, be exceedingly injudicious, and be attended with great ~~inconven-~~

~~ience~~

inconvenience to the public, to push the demand, and I will also say the right, to this extreme, at once - and to this I hope we shall neither be deluded nor driven, to gratify either the resentment or the avarice of any of the Principals or partizans of the rival Banking Establishments.

In New Brunswick, it may be said the Bank redeems all its paper in specie. True; - but is it not probable that if some 20 or 30,000 pounds of its provincial paper had been afloat, that the House of Assembly of that Province, who manifest sufficient discrimination in guarding the rights and interests of their constituents, in granting a charter to the Bank, would have defended their own paper, or made provision for the payment of the Provincial debt, with as little loss and inconvenience to the public as possible. There was a time in England, when in consequence of the heavy debt <sup>of</sup> the country, the paper of the government had in some measure depreciated. To maintain its credit, an arrangement was made with the Bank of England to receive and circulate the Exchequer Bills. ~~Privi-~~

Privileges were in consequence granted to that establishment, which it still enjoys. Let it also be remembered that our facilities for obtaining gold and silver coin, or bullion, are not equal with countries of greater wealth, and more extended commerce. For these, and a variety of other considerations that might be adduced, it appears to me, at least prudent, to proceed with deliberation, and watch the movements of the machinery, before the whole force of the steam is applied.

PUBLICO.

Halifax, January 21, 1833.



"Gresham": Questions Defense of Halifax Banking Co's Refusal to Redeem its Notes in Specie

*Gresham's letter: - Attack on H. B. Co. (cont'd)*

Halifax, January 21, 1833.

*W. J. 1833*

The Novascotian  
or  
Colonial Herald.  
1833.

p. 26.

FOR THE NOVASCOTIAN

THE CURRENCY.

SIR,

.....

Another writer has, however, appeared in your columns some of whose statements and observations I may be expected to notice. A warm panegyrist of the <sup>Halifax</sup> ~~Halifax~~ Banking Company, this champion of their cause, who imbibes their sentiments, displays their feelings, is possessed of their secrets, and can pledge himself to their future proceedings, has so closely identified himself with them, that I shall not presume to make the distinction. ....

.....

The only statement, indeed, which can be here referred to, is

~~the~~

*1833  
24 Jan*

*Halifax  
24 Jan 1833*

the simple one of the suspension of cash payments by this Company in violation of all principles of Banking - a fact which this writer not only himself admits, but expressly allows to be contrary to principle and usage, and proves it to have been opposed to their own previous invariable practice. This suspension, as was plain, formed the sole complaint, the very ground work of the charge against their paper - and how is it answered? by appealing to their six or seven years proceeding usage, a point wholly beside the question, and expressly referred to, as exhibiting a marked contrast with their present unwarrantable conduct.

But it is wasting time to dwell on these and such like fallacies; I proceed to consider some of the statements which this writer has hazarded. The first point on which he rests his defence of this company, and which he makes too the subject of his warm admiration, is that they have alone supplied all the specie which has been seen among us since their formation; but he stops not here, for it seems before they

~~continued~~

~~WMAA~~

commenced it had wholly disappeared from the Province. To give it in his own words - "it is a fact well known to the mercantile community, that ever since, and indeed a long time before the establishment of the Bank, every description of coin had been withdrawn from circulation as soon as it appeared, for the purpose of remittances to the United States and to England." For a statement so startling as this, I must confess that I was not prepared, and least of all from one who by his signature assumes to be the personification of truth - but that in support of it he should have the assurance to appeal to the mercantile community, is a flight beyond my more matter of fact comprehension - an assertion in which he must be contradicted by every one who reads it: and if we were not possessed of the most absolute certainty on this point, the incorrectness and absurdity of the statement would as clearly appear from a moment's consideration.

The paper currency of the Province, prior to the establishment of a Bank, was, to state it in round numbers,

~~about~~

about £50,000 - since that period we shall not be very wide of the mark if we set it down at about £200,000; but besides the notes now in circulation we must remember that in this town, the chief mart of business, and where a circulating medium is most required, a very great proportion of the money transactions is carried on by checks on the bank, without the intervention of a single note. Now, if in addition to this, so large an amount of paper currency is required for our present purposes, is it probable, is it conceivable, that the comparatively small sum of £50,000 should previously have supplied the whole circulating medium of the Province? But it must have done so, according to the assertion of this writer of truth. Besides as it will be recognized to be an indisputable principle that the natural tendency of a paper money is to supplant a metallic currency; that as the former abounds, the latter will diminish; it is but a fair and natural inference that before an excess of paper was issued, gold should have been more abundant than subsequently.

~~701~~

Yet, after the Bank was long in operation, gold, notwithstanding what has been said to the contrary, was far from being scarce. Large sums have within my own knowledge been freely circulated, till, with the usual course of the stream, they have flowed into the coffers of the Bank. Nor must I be told that all this gold came from the Bank in the first instance - that they have occasionally found it necessary to import it, I mean not to controvert; sometimes, no doubt, it was at a loss, but not less frequently at an advantage, as is generally believed, and as all who are acquainted with the state of the money markets abroad, and the rates of exchange, can easily understand. And well might their immense and unshared banking profits, which they would still wish to monopolize, enable them to do this. If then, under such circumstances, we had no deficiency of a metallic currency among us after the establishment of the Bank, he must be a rash speculator in opinions who asserts, that previously thereto we were so entirely destitute of it. It could not have been so

*Next*

so in reason - it was not so in fact. In truth, at the commencement of their business, this company found a sufficient and ample supply already in the Province, exceeding at least the amount of Province paper at the same time in circulation, with which, let them say what they will to the contrary, they soon filled their coffers, in return giving out their notes, which were then, but are no longer, redeemable in this coin. And if a necessity has since arisen for its importation, as the immense issues of their paper must naturally have required, was it more than right that they who created the necessity, and enjoyed all the profits, should bear this trifling expense. But let them not attempt to deceive us by such exaggerated statements, as they and their partizans are in the habit of putting forth. Ask our West India merchants of the returns in gold which they have brought from thence, and let this company deny, if they can, that this sooner or later came into their Bank. Ask others of the community, when in possession of gold, how it was disposed of, and they will turn through a series

~~of~~

of years to their Bank Books, and point out their deposits which they have there made. Would it have been done, I ask again, if it had been understood that the Bank when it suited themselves would suddenly refuse to return to those depositors a single coin? The understanding upon which they and the public dealt was widely different, and the advocate of their cause would have better served his employers if he could here have drawn the curtain over their conduct, and hidden it from our notice.

The defence of this company assumes at this point a most singular character. It was a disgraceful act, forsooth, on the part of those to whom these Bankers were indebted, to ask them for payment. Any one it seems might apply for any quantity of gold to send out of the Province, but the moment it is supposed that gold may be demanded for a purpose which will keep it still here, and to be again brought into circulation, then are they justified in abusing their creditors as shameful and dishonorable, and closing their vaults against such un-

~~reasonable~~

unreasonable demands. We shall next, I suppose, hear that when a tradesman presents his account he must either accept a promisory note from his debtor, or if he insists upon payment, run the risk of being kicked down stairs for his impudence in asking for money. For in what other country I demand would a Bank, as I know was the fact here, dare to refuse payment in gold to the party who had himself imported and deposited it at their counter but a short time before? Where, out of this Province, is such another institution to be found, which can without shame tell the public, as this does by its present mouth-piece, ours is a safe paper on a liberal principle, it was redeemable in gold till gold was required for it, and the moment it was demanded when not suiting our views, we had a right to change its character and refuse so to redeem it. We now therefore know what idea this company and its advocate attaches to "a safe and liberal paper," and to a bank conducted on an "independent safe and liberal principle," liberal to the public in promises, safe to itself in breaking them,



~~and~~

and independent because it can dare and do it in defiance of all principle and usage with impunity.

GRESHAM.



~~MS~~  
The Novascotian  
or  
Colonial Herald  
1833.

~~3/24/1833~~  
Halifax, January 24, 1833.

p. 26.

"A plague on both the Houses."

Shakespeare.

# 336  
MR. HOWE,

Several writers have recently appeared in the columns of your Journal, exhibiting talents of no ordinary kind, on a subject which has puzzled the wisest men in older countries; I allude, Sir, to the "Currency" of the Province.

These writers appear, so far as I can judge, to have arranged themselves under the banners of two rival establishments in this community, of that description, which in every country in a greater or less degree regulate and controul the subject which they have so ably handled; but these champions, for reasons not very difficult to divine, exhibit an uncommon degree of tenderness towards a certain portion of our currency namely "Province Paper," scarcely making even an allusion to it. On it, therefore, with your permission, I shall proceed

~~to~~

1833  
24 Jan

to offer a few remarks.

I believe this petty Province is, at present, the only sovereign state in the civilized world, where a forced loan from the people is levied without any stipulation for future payment, and the principle of interest thrown entirely out of the account; it is true, some fifteen or twenty years ago, when this precious scheme of finance was first broached, the absurdity of the thing was so palpable to the government of the day, that the paper first issued, was made, in certain sums, fundable at the treasury, and bonds obtained for it bearing interest; subsequently, however, it was made only fundable after having been a given number of years in circulation, and latterly, finding the system "work well," and the people becoming accustomed to it, the period of funding the later issues has been postponed sine die.

It is well known to many of us "old standers," the difficulty with which, in the first instance, this paper was brought into circulation, the many annoyances to which our

~~late~~

late worthy Treasurer was subjected, by claimants for the "metallic," and his somewhat "brusque" manner of discarding them; the memorable "convention" with the Commissary General, by which it was bolstered up for a time by his receiving it for Bills of Exchange, is also well remembered; these and many other circumstances connected with it, foreign from my present purpose to detail, occurred previous to the formation in 1825 of the Halifax Banking Company.

This Company, taking a correct and prudent view of the then currency, and determining to be on the safe side whatever might happen, on their commencing business made their notes payable in 'specie' or this paper; this step of theirs, for which I am willing to accord them full credit, kept from depreciation this portion of our currency, for as long as they continued to respond their own notes in gold and silver and receive in payment those of the Province, they virtually kept both at an equivalent value, and so far matters went on smoothly, the public placed the fullest confidence in a company the ~~partners~~

partners of which were in every way so truly respectable, gold and silver flowed freely into their coffers, their discounts were extensive and liberal, yielding rich returns to themselves and affording ample accommodation to the public; so much so, that in a few years the paper of this company (then at all times freely exchanged for gold) gradually, in the circulation, displaced the precious metals, and became itself the chief medium of exchange throughout the province.

But it appears these halcyon days were not to last forever; others were smitten with the desire to share in the golden harvest; a spirit of competition and rivalry sprang up in the land, and from one thing to another it went on, until the result was the establishment of another Bank here, under a charter from the Legislature. At this point I beg to fix the public attention, that they may mark the consequences.

On the very first agitation of a second Bank, the one in existence took the alarm, they restrained their discounts, and subsequently suddenly suspended their cash payments, using

~~privately~~

openly for the first time, what they termed their reserved right to pay their notes in those of the Province, and in relation to a metallic currency, the immediate depreciation of both was the necessary consequence. I shall not here stop to enquire into the motives which led to this step. One class, on the part of the Bank say that it was merely precautionary, another that it was to enable it to retain undisturbed possession of a lucrative monopoly, and to crush in the bud the very first germs of a rival establishment; truth may lie between, the results are with what I have to deal.

This unprecedented and unlooked for suspension of specie payments, causes loud complaints and created serious embarrassments; it was at first believed that it would be of short duration, but has now continued for such a length of time, that the right of the Bank to make use of the Provincial paper in the way pointed out, has become a subject of angry discussion and even litigation, and is now considered more than questionable by a large portion of the independent part of the Community.

~~Be~~

Be that as it may, its effects upon the trade and industry of the country cannot be doubted, and are becoming every day more and more apparent. One, not of the least importance, is the advance of the exchanges against us in our dealings with foreign countries, and the neighbouring Provinces; the difference between us and the Canadas, and New Brunswick, is now from 6 to 7 per cent; in these Colonies they are not yet blessed with a Province paper, and that of their banks is at all times exchangeable on demand for the precious metals; in Newfoundland again, into which the "rag system" has not yet penetrated, and where the currency is solely metallic, it rises against us from 12 to 14 per cent.

The New Bank, on the other hand, notwithstanding all its vapouring pretensions, has done nothing to remedy this state of things. Thank God they at least are precluded by their charter from trafficking in this Province Paper; if they had not been so, we would ere this have been in a precious pickle; their business, however, must I presume be ex-

~~tremely~~

extremely limited, for I see none of their paper in circulation; for if it were, and to an extent commensurate with the other's, the matter would in time become very different; they could and would at all times be compelled to pay specie for their notes on demand, this would effectually restrain them from overtrading, and to a certain extent so check and regulate the exchanges. But I cannot, on enquiry, learn that this consummation "so devoutly to be wished" is very likely to be brought about (so long at least as matters continue in their present state) by this establishment.

In conclusion, I now come to ask, Sir, after nearly twelve months of experience, is this state of things to be borne with much longer? between the contemptible, squabbles and jealousies of two rival establishments, are the best interests of this Province to be prostrated? Few will be hardy enough to advocate the issue of an irredeemable paper currency, even by Government; it argues "rottenness in the state," and

~~Edg~~


has never been resorted to save in times of revolution or extreme peril. The country however might probably now bear without serious inconvenience, the sum of fifty or sixty thousand pounds borrowed from it in this way by our present Government, believing that the Province at large reaps the benefit of it. But will this same Government permit, or the public tamely submit to, or suffer, eight individuals however respectable constituting the Halifax Banking Company, or any other individual or any other set of individuals whatever, on the frail basis of this paper, issued by Government for the general good, not as money, which it is not (for with it if refused you could not pay your butcher's bill) but simply as tokens, to answer a specific public purpose, and to be taken back in payment of Provincial duties, at the Excise Office; will it permit, I say, this company to levy a tax upon the country, and to three times the extent, for their own sole behoof and benefit, similar to that exacted by Government as above for the general good; and moreover from and by means of a paper ~~which~~



which they have rendered by their own act infinitely less valuable than the other; which will neither be taken in payment of duties at the Excise Office or Custom House, nor even by one of these eight individuals himself, in payment for Teas at his quarterly sales? I think not, the facts need but to be correctly understood, to arouse the public attention and ensure a remedy, so as to prevent these Province tokens being made a tool or instrument of in future, in the hands of interested or designing men.

Standing aloof from both these establishments and advocating the cause of the people, I call upon our Chamber of Commerce, to whom it more peculiarly belongs, to take such steps as will bring the whole of this matter before our Legislature at its approaching session, earnestly pressing upon that body the propriety, nay absolute necessity, of an enquiry into the state of the currency for the purpose of relief, by framing measures for again bringing it back to a healthy state, so as to prevent us being embarrassed or annoyed by either bank.

The first step ought to be to fund the province paper, or if that is found impracticable, to make penal any tampering with it, from which, as at present, the evil arising from it (bad enough of itself) is quadrupled, and the country saturated to repletion with a depreciated paper currency; in the second place, to restrain individuals or companies from issuing notes as "money" not convertible into specie on demand; in the same manner as it interfered a few years ago, to suppress the small notes, and spurious copper coinage, with which at the time the community were pestered and inundated, and lastly to annul the charter of the bank of Nova Scotia - a numerous and independent portion of their fellow citizens call loudly for this from their representatives, which, if carried into effect, we should again soon see a return of the good olden times; when, instead of stamped rags, merchants would be seen paying their bills in wheelbarrow loads of dollars or bags of gold, when we should have the exchanges ranging more in our favour, when the inflated paper system would explode simultaneously with

 ~~the~~  
the cause which gave it existence, rendering credit more secure, trade more remunerating and generally diffusing peace, prosperity and contentment, throughout the land..

These remarks of mine, Mr. Howe, will probably be considered as "behind the age," and in them you may probably detect the proverbial garrulity of an old man; on these accounts, however, I trust they will not be found less worthy of a place in the columns of the Novascotian.

JOHN GREY, Senior.

"Gresham": Claims the Halifax Banking Co. Has Undue Influence on the Council and Caused  
the Depreciation of Provincial Paper

*Gresham's letter. Bk of N. S. & Prov. Paper. 31/1/1833*  
Halifax, January 31, 1833.

~~The Novascotian  
or  
Colonial Herald.  
1833.~~

*pp. 34, 35.*

FOR THE NOVASCOTIAN.

THE CURRENCY.

SIR,

It has been remarked, with affected surprise, that while the depreciated state of our paper currency, and the extraordinary conduct of the private Banking Company, have been openly exposed, no notice has been taken of the Bank of Nova Scotia, or of our Provincial Paper. My attention having been so immediately called to these points, I shall proceed to a review of them.

For many years, to revert so far back, a general desire was entertained for the establishment of a public Bank, and the measure received the support of the whole mercantile interest of the place. The Chamber of Commerce, in particular,

at various times in their annual reports, earnestly and warmly recommended such an Institution "having for its fundamental principle the redemption of its obligations in specie." Repeated applications were accordingly made to the Legislature for a charter, in which none were more forward than those who now compose the present Banking Company; the President of which, on one of these occasions, then a member of the Assembly for this town, exerting all his influence to accomplish the object. These applications have failed, a private Bank was formed in 1825, which was so far not in accordance with the expressed wish of the Chamber of Commerce, and the rest of the community. After some few years a strong feeling still prevailing in favour of another establishment, of a less restricted and objectionable nature, a public meeting was held at the close of 1831, which in point of numbers and respectability has not been at any time surpassed here; and in the unequivocal and unanimous opinion of those who attended it, a public chartered Bank was declared so beneficial, and necessary, that it was resolved

to renew the application to the Legislature for an act of Incorporation. And who that knows the dangerous tendency of such monopolies, and the advantages which a competition in every thing produces, could for a moment suppose that the Banking business, of all others, ought to be entirely engrossed by a few rich individuals, to the exclusion of the rest of the community. Such a combination must indeed necessarily become the most odious of all monopolies; and if we had not the strongest proof of it now before our eyes, on which, if we wished, we cannot shut them: if the power claimed by this company of suspending all cash payments, when they pleased or as long as they pleased, did not so strikingly exemplify the necessity of inviting others to compete with them, still many reasons must readily occur to all, whose judgment is unbiassed, for desiring the establishment of another Bank on a different footing. The increasing business of the Town required it: The influence of the company, now become excessive, absolutely demanded it: and but for some such timely and wholesome check,

~~they~~

they would soon have become supreme in power, and the trade and commerce, and property and prosperity of the whole Province, Town and Country alike, would have lain prostrate at the feet of this "monied aristocracy." Numerous opportunities would not be wanting, in which they would find it equally proper as now, equally advantageous to themselves, and even far more injurious it might be to the safety of the community, to refuse payment of their notes in gold. And if with their present power and influence, that principle which even their advocate cannot controvert, has for them no restraint; where would be found the still stronger one which would prove a barrier against their still increased and unlimited dominion: or who would then stand forward in the hour of need, between the public and danger? And so perhaps thought, and rightly and wisely thought, at least one branch of the Legislature, and the act for establishing a chartered Bank passed the lower House. In the course of that same year, however, new power had been gained by the company, by the elevation of three more of their members to

~~1846~~

seats in His Majesty's Council, placing no less than five of these Bankers in that Honorable Body. Against such additional influence as they thus acquired, what was to be expected in a measure in which interest, personal and pecuniary, was at stake. It was accordingly found that they who had been formerly such strenuous advocates of a public Bank, were now suddenly converted into its determined opponents. Baffled, however, in their attempts to strangle it at its birth, they resorted to other means by which its ruin might be accomplished: and as one of the first steps towards it, payment of its notes in specie was made imperative upon it, under a penalty of 12 per cent interest, in case of its inability or refusal to do it. I mean not to complain of this; but I do complain of those measures which it has enabled them to accomplish, and to which this has at least tempted them, if it was not a part of their original plan of operations. The obligation of redeeming their notes in specie has been already shown to be essential and indispensable to every Bank; and I know not what this private

~~CONFIDENTIAL~~

company can mean by claiming for themselves the privilege of an exemption from the liability; if they are not already subject to this wholesome principle by law, it is high time they were made so; a chartered Bank can be restrained, as the present one is, by other means, from an excessive issue of paper, but a private Bank is wholly without such direct controul. And if the redemption of its notes in gold, the only possible and conceivable restraint, is removed, into what a boundless range of evil will it not run, as we have the dear bought experience of every country to prove.

This step, thus effected, and by their own recognition of this sound principle, the next was to show how little they regarded it - and scarcely had the Governor's assent to the Act of Incorporation been given, when, with an inconsistency that cannot be too plainly pointed out, and a motive which cannot be too strongly reprobated, the company, slighting the very law which as legislators they had applied to another establishment, closed at once their vaults, and turning a deaf

~~ear~~



ear and sightless eye to the distress which they have occasioned, have from that time sullenly and sternly continued their unjust and unprincipled conduct.

By this clause in the Act of Incorporation, they had as effectually as if the law had been so written, precluded the chartered Bank from receiving Province notes in payment - for they very well understood, as the merest novice indeed can see, that if a Bank is thus compelled to pay its obligations in gold, it must also of necessity receive gold only in return, or paper convertible into gold; or that if pursuing a different course, it should pay out gold and replenish its coffers with Province paper instead, while another Bank in the same place, freed from such restriction, could put forth its own paper and collect the gold and the notes of the first, it would inevitably and beyond the possibility of relief, be drained in a very few months of its specie, and left to the tender mercies of an avowed and determined opponent, to claim the double rate of interest to which they had so carefully before

~~hand~~

hand subjected it. The Bank of Nova-Scotia has been obliged then from necessity - as an act of self preservation, to refuse Province paper; because the penalty in its charter in effect precludes them from receiving it, and this penalty of double interest was inserted in that branch of the legislature, composed nearly one half of the company of private bankers. But if the company had still continued to pay its notes on demand in specie, and not openly and unequivocally claimed to be free from this liability, then the chartered Bank might with some safety have also received the Province paper, and supported its credit; because both standing so far in the same situation, the latter would not have been more exposed than the other to this instant and irresistible drain upon it, although it would have left the company the great advantage of being liable only by law to a simple rate of interest, while the other was subject to the 12 per cent in case of refusal to pay in gold.

If the great zeal now so disinterestedly manifested

for the credit of the Province paper had really actuated the company, some arrangement might surely have been effected by it and the chartered Bank, to enable the latter also to uphold and support it. A proposition, which I have lately seen in several hands, was very early I understand submitted to the company by the other Bank, that they should give up the right claimed of refusing payment in specie, in order that the two might conduct their business on the same fair and friendly footing, as is done by other Banks in other countries. It was made, I have been informed, as it professed to be, in the most perfect sincerity. And had it been then acceded to, the Bank of Nova Scotia might have been united with the other in giving all the aid of which it was capable to the support of the Province Paper. It was, however, positively declined - in what manner I need not state, for their advocate assures us, it was spurned with contumely and contempt. Now really, though the company are so high and so haughty that they can treat another in this manner, and make their boast of doing

*of the Bank of Nova Scotia  
to the Province Paper  
in the most perfect sincerity.*

*[Handwritten mark]*

so - though they may expect every one to crouch submissively at their feet, and lick the dust before them - they must not, after this, expect to outrage all feeling, and insult our reason and common sense, either by boasting of the support which they alone have given to the Province paper, or by censuring another institution for not following their example, when they have put it out of their power to do so. Instead, however, of their supporting the Province Paper, it has in reality supported them; instead of deriving credit from the notes of the Halifax Banking Company, being payable therein, this paper has, on the contrary, become thereby gradually depreciated in proportion to the extent of notes issued by that company, until at last, with their total suspension of cash payments, it has, together with their own notes, experienced a decided fall in value.

While this company claim and actually exercise the option of refusing gold, and paying in province paper, which is not equal to gold, it is in effect the same as if they had struck out altogether from their notes all mention of specie.

~~WPA~~

As it stands, it is a perfect piece of juggling,  
That palters with us in a double sense  
That keeps the word of promise to our ear,  
And breaks it to our hope -

With the supply of Province paper to any extent, which they can always command, no individual can be in a situation to obtain gold, for before he can draw out a single coin he must exhaust all this stock of paper; and if he were indeed able to do so, he would have a powerful and influential body open-mouthed with insult and abuse against him, for daring to obtain by the only possible means which they have left him, a part of his own money.

Province paper then supplies them with a means of redeeming their notes without requiring them to be in possession of specie, and this disadvantage has not existed merely during the last eight or nine months, in which they have so unjustly refused payment in any thing else; but heretofore during the whole time that they have been in operation. It

~~His~~

has given them, in the deposits they have obtained, an ampler possession of funds, the command indeed of every description of money which we have; and saved them from the payment of cash to an infinitely greater extent than it could possibly call on them to pay. So much for the support which they have derived from this paper. Now for the reciprocal benefits and the credit which it received from the company.

This province paper, says the same accurate writer before referred to, is "by law made equal (at least in this province) to specie." If this were so, it would have been the grossest act of legislative blundering and legislative injustice, to have debarred the Bank established by itself from paying its obligations therein. The very subject on which he was writing ought therefore to have shewn him the utter absurdity and inaccuracy of his own statement. With equal regard to that truth whose signature he assumes, he also wishes it understood, for the direct avowal would have been too bold even for him, that the paper of the Halifax Banking Company is absolved from the

~~Charge~~

charge of an unsound and spurious currency, being payable in "Government paper" of the character which he has described. The utmost length that the legislature has gone, or could with any propriety go, in creating such a paper, was to make it receivable by the Collectors of Impost and Excise. At that time a far greater amount of our duties was collected by those officers than at present; and owing to this, and to its bearing no excessive proportion to the metallic currency then in circulation in the province, these notes objectionable as they undoubtedly must be admitted to be on principle, produced in effect no great or sensible embarrassment: except occasionally when some rich capitalist might refuse to receive them at the treasury. But when another paper of three times their amount was superadded to them, the consequence inseparable therefrom necessarily followed. With an excess of money of whatever kind it be, a diminution in value must take place; but if that excess be in such a paper currency, the depreciation will be still greater. This is indeed often brought about

so gradually and imperceptably that its effects are not always understood, and not unfrequently denied, until some striking event occurs which puts it beyond a doubt - in the mean time, the whole community are taxed for its support, in the shape of high prices and a general rise in every necessary of life, and every article purchased with this money; while they wonder at a circumstance for which as they suppose, no adequate cause can be assigned, except the mistaken one of an increased prosperity, often the very opposite to the truth.

But if this Company issue £150,000 of their notes payable in province paper, and there be £50,000 of this already in circulation, it is precisely the same thing in effect as if £200,000 of this latter paper had been issued, with this only difference, that the public will equally suffer from the depreciation which must take place, while the province derives not the least advantage from it, all this being enjoyed by the Bank alone. It in short amounts to nothing less than this, that whereas by law the Government is properly limited in the

~~amount~~



amount of notes which it can issue, a private company, in defiance of that law and of the Government itself, makes and circulates the same paper in effect, to any extent it pleases. And while our Legislators imagine that they have no more of this paper afloat than has been issued from the Treasury, they have it multiplied upon them by this company in fourfold degree: its depreciation and the fatal consequences which in the end will spring out of it, being increased in a still greater and more alarming ratio.

One word more on this subject, and I leave it to the consideration of those who must soon take it up. When after having effectually removed all specie from circulation, this company assumed the bold position which they still maintain, publicly declaring that they would only pay in this paper, and would not pay in gold; they then first openly stamped it with a depreciated character, and made it of less value than gold. And it is in vain that they would now wish to throw off the odium of their own conduct, and impute the ill effects



~~which~~

which the Province Paper has thereby sustained, to another Institution just then struggling into being, and whose very existence was at the time a matter of uncertainty and conjecture.

GRESHAM.

Treasury Notes Should be Redeemable in Specie

*Handwritten scribble*

The Novascotian  
or  
Colonial Herald.  
1833.

Halifax, February 7, 1833.

p.41.

THE LEGISLATURE.

.....  
.....  
.....

The state of the Currency is, perhaps, next in im-  
portance to that of the Representation, and we have little  
doubt, as there are Members in both houses deeply interested  
in the questions it involved, that an early opportunity will  
be seized to engage the attention of the Legislature. Our  
readers have had before them a variety of writers on all sides,  
and can, therefore, be at no loss to understand the points  
at issue. There seems to be no doubt on any body's mind, of  
the impropriety of allowing, in any country, an inundation of  
Paper Currency, which is not responded in the precious metals.  
On this point there can be no dispute. The only questions,  
therefore

*Handwritten notes:*  
1833  
7 Feb

therefore, for the Legislature to settle will be those - whether the Province shall any longer set the example of circulating a Paper bearing this character, or whether the Treasurer shall be authorized to make arrangements for funding the paper now afloat, or providing himself with gold for its redemption. If either of these modes are adopted, there can be no longer any excuse for monied Institutions asking from the community a privilege, which even the Government disclaims. But should a majority of the Representatives be of opinion, that it would be impolitic to lose the interest on the floating paper, which now bears the character of a loan from the public, who are paid only in the general benefits secured - the next question will be, as to the mode by which the public are to be protected from an over issue of paper, founded upon and justified by the example set by the Government itself. Warm discussions may be anticipated; for the wealthy, whether in the Legislature or at the Bar, are rarely without able advocates. . . . .

. . . . .

"Veritas" Defends the Halifax Banking Co.

The Novascotian  
or  
Colonial Herald.  
1833.

p. 52.

*Veritas - and Letter: - Action of Hal. Bk. Co. in regard  
to supply of gold. 14/2/1833*

Halifax, February 14, 1833.

FOR THE NOVASCOTIAN

THE CURRENCY

.....

.....

.....

p. 53.

..... With the current of trade sitting so strongly  
against us, the demand for gold would be constant, and  
whenever it so happened, that a scarcity of good bills or  
trifling advance in price of gold abroad occurred, the vaults  
must very soon be drained, unless constantly supplied by im-  
portation, the loss of which would deprive it of the whole  
profits of their banking business. The Halifax Bank could  
not, in my opinion, have gone on paying out gold, for so long  
a period, had it not been for the restriction in their notes,  
which as I have already stated, checked in a very great meas-

ure

*1833  
H. S. S. S.*

measure that constant and large demand that would otherwise have been made upon it, and which they could not have stood. The greater part of the community were satisfied with the necessary supply only for duties, Tea sales, &c. but those that otherwise demanded and insisted upon it, were paid it, rather than it should occasion any interruption to the course, it was evident they had lain down to follow, as long as they were permitted and supported by the public in so doing. But will any reasonable man for a moment suppose that because they had kept up a supply of gold for the various wants of the public for so long a time, and notwithstanding what Gresham may say to the contrary, to the very serious diminution of their Banking profits, as any one at all acquainted with the subject must acknowledge; will any man, I repeat, be found mad enough to assert, that because they had thus acted towards the community, they were still to go on importing and paying gold for the establishment and supply of an opposing Bank? . . . . .

. . . . .

VERITAS.