

series of studies dealing with the preparation for the earliest banks and their actual establishment. To supply this missing link is the object of the present article.

We have already followed the history of the introduction and valuation of the various coins current in Canada during the French period. Driven to cover, during the closing years of French rule, by an overwhelming invasion of paper money, these coins reappeared at the Conquest, and took their places as media of exchange along with the coins introduced by the purveyors for the British troops, or brought by the British and colonial merchants who established themselves at Quebec and Montreal. The Quebec merchants long continued to be closely in touch with Britain and the eastern colonies of Nova Scotia and Massachusetts. The Montreal merchants, being almost entirely from the colony of New York, continued to maintain a close connection and intercourse with that colony by way of the Lake Champlain and Richelieu River route. In accordance with these influences, the standards of exchange introduced into Canada were determined by the colonial affinities of the merchants carrying on the Canadian trade.

On account of the long and intimate connection of the North American colonies with the West Indian trade, the Spanish dollar and its associates of a similar grade had come to be the money standard of the colonies.

It has been the general experience of all new countries with unlimited resources and an eager and enterprising people, but with little capital, that a constant need for the necessaries of life and the means of development has led to a steady export of all that could procure the needed means for expansion. But nothing is easier to send abroad, and at the same time so certain of a ready market, as metallic money. Thus a chronic scarcity of money was the burden of complaint in all the American colonies.

Without understanding the significance of the facts, each colony adopted such measures as suggested themselves for attracting and retaining as much money as possible. The expedient which chiefly appealed to men of common sense but without special knowledge, was naturally that of putting a premium upon the coins most desired. If one colony rated the