French Colony of one of the earliest forms of fiat paper money in the western half of the world. Indeed, this ingenious experiment is supposed to have inspired the British colonists of Massachusetts to venture upon the same kind of money. The general use later on of such paper issues by all the colonial governments was naturally followed by the famous Continental currency of the Revolution. It was because none of this paper money in its later issues was paid in full and much of it was not redeemed in any manner, that the people of old Canada were so wary and incredulous when, after the establishment of representative government, efforts were unsuccessfully made in 1792, 1807 and 1808 to obtain the authority of Parliament for banks of issue.

In order to pay the expenses of the war, issues of fiat money, for which the credit of Great Britain was pledged, were made from 1812 to 1814 through the Army Bill office, and were redeemed during the ensuing four or five years. It was not until after this, in 1817 and 1818, that the first banks were created in Lower Canada, now Quebec. They were at first private corporations, but obtained charters in 1821 to which the Royal assent (then necessary) was given in 1822. In 1817 the Provincial Parliament of Upper Canada (now Ontario) was also asked to incorporate a bank, and consented, the Lieutenant-Governor, however, reserving his signature for the Royal assent, which was given in 1821. There was a dispute between two sections of Upper Canada over this charter, and eventually it took shape as a bank in which the Provincial Government owned about one-fourth of the stock, with the right to name four out of fifteen directors; the only instance, fortunately, of state ownership in our banking history.

Turning to the Maritime Provinces, which became a part of the present Canada in 1867, we find that in Nova Scotia unsuccessful efforts were made in 1801 and 1811 to form banks. In 1812 the Provincial Government brought out an issue of treasury notes, bearing interest and not re-issuable, but this was immediately followed by an issue *not* bearing interest and *re-issuable.* From this time until Confedera-