

THE CANADIAN BANKING SYSTEM

1817 - - - 1890

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CHAPTER VIII

BANKING UNDER THE CONFEDERATION, 1867-1889

§ 43.—THE EXPANSION BETWEEN 1867 AND 1873

THE economic history of Canada since the Confederation of the Provinces presents several well-defined periods, of which the first includes 1868-1873, the second 1874-1879, and the third extends from the autumn of 1879 to nearly the close of 1883. The most interesting of the three, probably, is the first, but even a cursory description would need the whole of a separate paper; to mention a few of the phenomena, and some of the general results, is all that respect for the limits of the present essay will permit.¹ The period was one of growth, great apparent prosperity and general expansion. Thus, the total debt of the Dominion was increased from \$93,000,000 in 1867 to \$141,000,000 on the 30th June, 1874; the net interest charge rose from \$4,300,000 to \$5,100,000. The receipts of the Treasury rose from \$13,600,000 to \$24,200,000, and the expenditure in similar ratio. Fifteen and a-half millions of dollars were spent upon the Intercolonial Railway, one million and a-half on the canals, a million on the Canadian Pacific Railway. Twelve millions of the debt increase was in Dominion notes, the circulation of which was quadrupled from 1867 to 1874. The total exports of the country, \$57,000,000 in 1868, were \$89,000,000 in 1874; the imports, \$73,000,000 in 1868, were \$128,000,000 in 1873-4. Extension of the railway system was begun in 1871;

¹ It might well be desired that some account of the commercial growth and economic development of British North America were available. A most careful search has revealed no such work, and it is impossible to refer the reader to a convenient and full discussion of questions which can barely be touched here.