

1792, and a London firm, Messrs. Phyn, Ellice & Inglis, took the lead in the matter. The other two firms are Montreal merchants, customers of the London firm, and enjoying a large share of the trade with the settlements in Upper Canada. We learn from a list of arrivals from London appearing in the *Quebec Gazette* some time after this, that Mr. John Forsyth had been in England; and there came over with him Mr. Geo. Phyn, jun., of London, and Mr. and Mrs. Ellice, of London. No doubt these gentlemen came over to assist in launching the bank in Canada. Possibly a member of the firm of Todd, McGill & Co. was also in London when the articles of agreement were drawn up, and the above announcement prepared. The bank was a purely private one, and no effort seems to have been made to secure a charter for it, as some have supposed. It was evidently intended to gradually cover the whole Canadian field by a system of branches, as in the case of the Bank of the United States.

Canada at that time was hardly ripe for such an institution. In the lower province there was no need for the issue of a paper currency sufficiently urgent to overcome the prejudices of the French-Canadians towards that kind of money. In the English settlements of the west, while there was a real need for a medium of exchange, yet it was almost entirely of a local nature, and those settlements were not sufficiently stable and advanced in their trade to permit of discounting bills or establishing any general currency from a Montreal basis. What the western country stood in need of was capital rather than currency. In Lower Canada, where there was considerable capital, enterprise was lacking. The French who had money to deposit would not trust it out of their own possession, while the English had no idle money to deposit, those who possessed wealth having it all employed in business, under a system which combined the deposit and exchange functions of our present banks with the ordinary business of trade.

Under these conditions the proposed bank was found to be somewhat in advance of the times. The notice which I have quoted, after appearing in the *Gazette* at intervals for several months, disappeared, and no further mention of the bank succeeded it. Mr. Stevenson says, though not mentioning the