

In the early days of the Province most of its commercial business centred at Kingston, but the greater part of the Government business, and consequently a growing part of the commercial and exchange business as well, centred at York. The introduction of the Army Bills, themselves suggested by the local circulation of traders' *bons*, familiarized the people of Upper Canada with a very convenient, far-reaching, and perfectly safe paper money. Their gradual redemption and disappearance after the war left a gap in the circulating medium, difficult to fill. Moreover, the withdrawal of the Army Bills, after the war, coincided with the reaction in business following the subsidence of the speculative fever which invariably accompanies the first two or three years of peace. It appeared to many that the recurrence of commercial stringency was very largely due to the withdrawal of an abundant circulating medium. Hence the proposals for the establishment of public banks met with considerable popular favor. In this connection, there emerged a rivalry of interests between Kingston and York as to which should be the provincial banking centre. Kingston, however, was first in the field, in 1817, with its petition for a legislative bank charter. This was dated 20th January, and was presented to the Legislature early in 1817. Afterwards a petition for a bank at York, dated 17th March, 1817, was presented by John Strachan, Alex. Wood and others. In response to the Kingston petition an Act was duly passed chartering the Bank of Upper Canada. It was, however, reserved for the consideration of the Home Government. But the decision of the Home Government was delayed so long that, though it was ultimately sanctioned, the announcement did not arrive within the time limit prescribed. The charter was therefore forfeited for non-user, but would require, as the Lieutenant-Governor stated, only the form of re-enactment to render it available.

While the fate of the bill was in doubt, a number of the promoters of the bank at Kingston had become impatient at the delay. Hence, following the example of Montreal, they organized at Kingston, in 1818, a private bank under the name of the "Bank of Upper Canada," hoping for a charter later. This institution, however, lacking in financial strength and being badly managed, was unprepared to meet the commercial reaction which followed, and was forced to suspend.

In the meantime, the efforts to obtain a chartered bank continued, and, when the Home Government was found to