exercised, under the scrutiny of Government and press, the great franchise of note issues unsecured by any special pledge; they possessed the identity given by separate charters and clearly distinguishing titles; they opened branches and assumed the widest functions of banking without discussing the precise powers accorded by these charters. Possessing capital quite as large relatively to the size of the community as they have now, they assumed without hesitation a national position as clearing-houses for the exchange of the country's products.

Of the banks thus created—three in Lower Canada, one in Upper Canada, two in Nova Scotia and one in New Brunswick—all but one in Quebec became leading institutions, and all are either in high standing to-day or have honourably amalgamated with existing banks, except the institution in Upper Canada unhappily joined to the state and said to have been swayed by politics. It failed in 1866, after a career of nearly half a century, the most serious calamity in the history of banking in Canada up to the time of Confederation.

When we look at the map, the extent of country to be served by these six banks seems very great, but when we consider the population and the nature of the commerce, it is difficult to understand how they managed to survive. A scanty population, settled here and there at seaside ports and on the shores of rivers and lakes, without means of communication worthy of the name, without manufactures, with agriculture so little advanced that the products of the chase and the forest were more important as exports than the results of farming, there was but little basis for sound banking, and its development lacked interest until many years after this period. In Lower Canada the volume of business considerably more than doubled, apparently, between 1820 and 1830, but in the latter year the figures, exclusive of that bank in Lower Canada which did not survive and which was almost liquidated, were very trifling. The liabilities were as follows: Capital, £304,000; notes in circulation, £217,000; deposits, £163,000; while other items made the aggregate a little more than £700,000 currency.