

racial cleavage was extending from the purely political to the economic, social and professional relations of the people. As the existing banks were almost entirely in the hands of the English element, the common prejudice naturally extended to them. Consequently an effort was made, and with success, to organize a bank which would appeal to the national sentiment of the French Canadians.

The project was first heard of in 1833, when an item, copied from the *Daily Advertiser*, a Lower Canadian paper, appeared in the *Quebec Gazette* of August 12th, stating that arrangements were being made for the immediate establishment of a new bank, *en commandite*, with a capital of £75,000. The bank was to go into operation as soon as £12,000 had been paid in. The French system of a company, *en commandite*, was simply a form of joint stock company. Its special feature was that while the directors, or active partners named in the articles of association, were subject to unlimited liability, the ordinary shareholders were liable to the extent of their subscribed stock only.

Nothing was at first expressly stated with reference to the political affinities of the institution, but it was represented that this new principle of extended responsibility on the part of the directors would have the effect of enlisting the confidence of the French Canadians, who had but little faith in the paper of the existing banks.

The bank did not go into operation at the time, but in 1835 the scheme was fairly well matured, and had, indeed, several projected imitators. The articles of association of the new bank, as issued in printed form, were dated 12th Jan., 1835. There were thirty-six articles, from which we learn that the bank was to be established in Montreal on the principle of *en commandite*, the named partners to be not less than seven or more than fifteen, and the partnership to continue for nine years. Branches might be established both within and without the Province. Directors were to be chosen by the majority of the shareholders, shares to consist of £12 10s each, the total capital to be not less than £100,000, but might be raised to £250,000. An instalment of ten per cent. was to be paid on subscribing, but shareholders might at any time pay into the bank any amount on their stock, and share in the profits in proportion. The bank must not hold real