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THE EARLY HISTORY OF CANADIAN BANKING

IV

THE FIRST BANKS IN LOWER CANADA

WE have already observed that just before the outbreak of the war of 1812, Canada was suffering from the lack of a circulating medium, and that attempts were being made to establish banks in both provinces, with the expectation of relieving the stringency. The real difficulty, however, was a more serious one than the mere lack of currency.

The French Canadians, from their past experience, had acquired the capacity to live a very frugal and self-contained life. They did not, in proportion to their numbers, furnish a great deal for export, but they required even less in imports, and, though their trade was expanding under British rule, yet, as a body, they were but slightly affected by the commercial uncertainties of the Napoleonic era. The English element, around Montreal and in Upper Canada, were much more enterprising, though, perhaps, not more industrious than the French, but, as