

THE HISTORY OF CANADIAN CURRENCY, BANKING AND EXCHANGE

VII. FURTHER EXPANSION AND CRISIS*

IN Lower Canada the speculative commercial element being confined very largely to the cities of Quebec and Montreal, there was not that wide-spread demand for banking establishments which characterized the United States and Upper Canada. In the latter this had led to the establishment of several private banks, and the granting of numerous public charters by the Legislature, albeit a tyrannous Home Government prevented the charters from going into operation. One or two attempts, however, were made to increase the banking institutions of Lower Canada, though only one resulted in a permanent establishment.

The Banque du Peuple owed its existence to political rather than to commercial enterprise. The political antagonism between the two races in Lower Canada, which had been steadily developing since the introduction of the Constitutional Act in 1791, had reached an acute stage in the thirties. The

*Chief sources:

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- A Practical Treatise on Banking. By J. W. Gilhart, 2 vols., Lond., 1849.
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