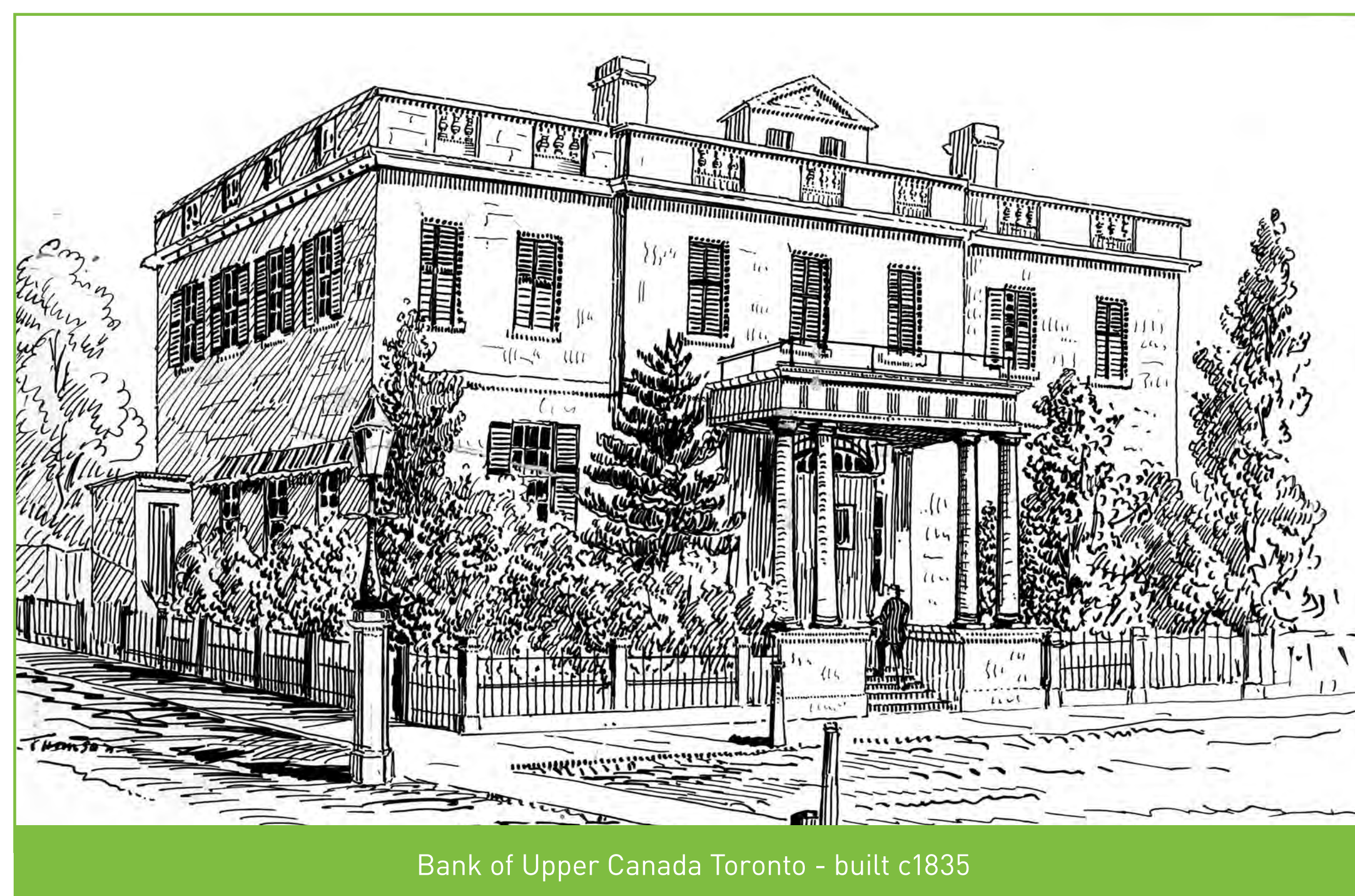# BANKING

IN UPPER CANADA

By the time the first settlers had arrived in the area we now know as Cobourg, the most common currency was "*bons*", a sort of promissory note named from the French phrase *bon pour* meaning *good for the indicated amount*. English, American and Spanish coinage was also generally accepted.

Needing a better source of money to finance the War of 1812, Isaac Brock, the administrator of Upper Canada introduced what became known as *army bills*. These bills were accepted in both Upper and Lower Canada and after the war were redeemed in full.

In 1817, Montreal bankers were granted a charter by the British government to open **the first formal bank in Canada**. Because of its monopoly rights, the Bank of Montreal essentially acted as a central bank for both Upper and Lower Canada.

Bank of Upper Canada Toronto - built c1835

IN COBOURG

Merrill Denison, in his two volume *Canada's First Bank* records that:

> The Bank of Montreal came to Cobourg in 1840, attracted possibly by the resourcefulness of its inhabitants who had received several patents during the 1830s for inventions in the fields of transportation, carpentry and agriculture.

But before that, other banks had been chartered, including the **Bank of Upper Canada** in 1821. It became known as the "*bank of the Family Compact*" (i.e. the rich and powerful). However, its first representative in Cobourg, **James Gray Bethune, was sympathetic to the settlers' banking needs**. Not surprisingly, his lending policies often ran counter to bank policies. Bankruptcy and a brief stay in debtors' prison ruined Bethune's good reputation and he moved to New York State where he died.

The first private bank in Cobourg is believed to have been opened opposite St. Peter's Church of England in the early 1830s by "Squire" Robert Henry, a retired factor of the Hudson Bay Company. He reportedly introduced the practice of paying cash for wheat, which proved a great drawing card for the

"Squire" Henry's home, built c1833 - burned down in 1994

COBOURG MUSEUM FOUNDATION