

ABSTRACT

This thesis summarizes and examines the history of banking in New Brunswick over the period 1820 to 1871. Colonial economic development depended on sound financial intermediation. In New Brunswick, banking was the main provider of this service. This subject has been given only cursory treatment by other scholars. Their work serves only as a starting point for discussion of the facts collected and data analyzed.

The banks of New Brunswick endured several shocks during their inception and development. The qualitative effects of these disturbances were assessed from evidence in the legislative records of the Provincial Archives of New Brunswick. Regular bank statements were collated and formed into relevant indicators of bank security and management. The quantitative effects of these disturbances were analyzed for stationarity and compared between institutions.

It was found that bank managers pursued consistent management over the period of study. The results do not show that banks were subject to little variability in health and security. Rather, bankers allowed the random dictates of the commercial community to guide their institutions. The different economic environments of various communities in New Brunswick affected banks in different ways. Banks which operated within more conservative parameters seemed to prosper. Those which demonstrated the practice of riskier management eventually failed.