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Rudin, Ronald. *Banking en français: The French Banks of Quebec, 1835-1925*. Toronto: University of Toronto Press, 1985. Pp. xiv, 188. Illustrations. \$20.00 cloth; \$9.95 paper

Duncan McDowall

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and poverty continue to move to "el norte" in spite of immigration barriers. The scale, social variety, racial diversity, and the racist views of an era, therefore, came together in America through unique dynamics whose tragic results have meant fragmented cities. Canadian cities have had scant experience with the great social struggles, heroic civil rights movement, and white middle-class fears still working in American cities. British order, getting by, and an inclination toward collectivism strike me as dubious, and self-satisfied routes to explaining contrasts, but marginally more deserving of reflection than I had believed before reading the book.

Political and cultural differences are exceedingly complex, involving processes poorly understood if one assumes patriotic superiority. On the other hand, the material culture of architecture and design as well as the basic operations of city-building capitalism are remarkably similar in Canada and the United States. *Toronto Since 1918* ought to contribute to another round in the debate over whether or not there is a North-American city. It would be unfair to leave the impression that this will be its sole service; the social history inclinations and social democratic outlooks are ones that I share. For that reason, they have not been discussed in the depth of the one track that was singled out for debate. In addition to its other merits, *Toronto Since 1918* is a courageous study by someone who cares about the people of the neighbourhoods. Whether or not they are the heirs of British order, eschewing American excesses, they have been brought to the heart of the book. And that is as it should be.

John C. Weaver
Department of History
McMaster University

Rudin, Ronald. *Banking en français: The French Banks of Quebec, 1835-1925*. Toronto: University of Toronto Press, 1985. Pp. xiv, 188. Illustrations. \$20.00 cloth; \$9.95 paper.

Late in August, 1985, the *Report on Business Magazine* published an anecdotal overview of the Canadian banking system's "rutted road to respectability." Complete with sepia photographs, the article painted bank failure in Canada as an historical curiosity, something that had happened way back in 1923 to the Home Bank and was unlikely to rear its embarrassing head again. In the wake of a spate of nine bank collapses between 1900 and 1923, Canadian banking had put its house in order. Besides, the government had acted after the Home Bank's demise to strengthen its vigilance over banking operations by creating the office of the Inspector General of Banks. In the unlikely event of another bank failure, *The Globe and Mail* assured its readers, the government would appoint an overseer with the charmingly antiquarian title of "curator" to unravel the mess. The arti-

cle left one with a sense of smug security about our "respectable" banks and a few historical vignettes to mull over in the line-up on the next trip to the bank.

For some Canadians there would be no more trips to their favourite bank. Two days later, the Canadian Commercial Bank failed. Announcement of the failure was made on the Sunday of a long weekend to diminish the chance of a bank "panic," another phenomenon that had supposedly died in the 1920s. Ottawa appointed a curator and the nation turned its attention to the death agonies of another Alberta bank, the Northland, which eventually succumbed in October. Amid charges of political ineptitude and connivance on the part of the "big five," most commentators drew the lesson that regional banks in Canada were vulnerable banks, susceptible to regional depressions and unable to spread their risk on a national basis. If Canada had a "respectable" banking system, it was because it had a *national* banking system.

There is much that is amusing and instructive in Ron Rudin's *Banking en français*, not only because it sheds light on the development of Canadian banking and its periodic failures but also because it illuminates and at times upsets prevailing interpretations of our commercial and ethnic development. It is a lucid and valuable book.

For students of the drama of bank failure, Rudin has presented a lively tale. There is, for instance, the spectacle of the Banque d'Hochelaga riding out "the panic of 1899" under the unflappable leadership of its general manager, Marie-Joseph Alfred Prendergast. Timorous customers of the Hochelaga were greeted at their local branch by "the confident air of the officials," who met all claims while placing "heaps of gold" at each teller's wicket as an ostentatious symbol of the bank's solidity. An episcopal letter from Archbishop Bruchési reinforced the message that his parishioners' money was safe in the Hochelaga. Other Quebec regional banks were not so blessed. Of the nine Quebec banks Rudin studies in the period from 1835 only two survived after 1925.

Rudin has provided more than a good read, more than a competent institutional history of early Quebec banking. He has contributed valuably to broader themes of Canada's regional, ethnic and commercial development. *Banking en français* deflects the time-worn debate over Quebec's economic inferiority from factors of strict ethnicity to "market considerations." If Quebec's regional banks failed, it was because they failed to achieve a commercially viable base; size, not cultural deficiency, dictated their fate. Ethnicity only outweighed size in the sense that French-Canadians invariably placed their savings at the disposal of their regional banks. Throughout good and bad times, French Canada's banks — unlike regional banks elsewhere in Canada — had "a solid clientele which assured their survival." If in the end they collapsed or merged, as the Hochelaga and Nationale

did in 1925 to form the Banque Canadienne Nationale, it was because ethnic loyalty could not protect them forever from the inexorable logic of national banking.

If Rudin is unwilling to interpret French Canada à la Groulx as a victim of outside forces, he is also unwilling to cast the emergence of Canadian national banking in the mould of the Naylor thesis. French Canadian banks did not sell local industry short. Careful analysis of the banks' loan portfolios and boards of directors allows Rudin to demonstrate that, by the late nineteenth century, French Canadian banks were "far from hostile to industrial projects." While the mid-nineteenth century French Canadian banks were clearly the instruments of mercantile interests, industrial interests — in small towns like St. Jean as well as in Quebec and Montreal — later gained the ascendancy over their affairs. Industrialization in Quebec also promoted ethnic mingling in the ownership, the management and, to a degree, the clientele of the French Canadian banks. The Banque d'Hochelaga became for instance, "the French bank best loved by the English business community." This marriage of industry and capital brought in its train the support of the state. By the early years of the new century, French Canada's regional banks "played such a major role in the economy of Quebec that they were in a position to command the support of the state." With the support of politicians like Louis-Alexandre Tashereau, Quebecers became pioneers of the bank "bail-out" and the state-aided reorganization.

The fact that Quebec banks occasionally needed to be bailed out underlined their vulnerability. As Rudin points out, it also revealed bad — sometimes reckless, sometimes too conservative — management. But, in the end, it was size that sealed their fate, especially in the depressed early 1920s. These were always immature capitalist institutions. Rudin's convincing demonstration of this fact begs the question of what role regional banking played in the overall evolution of the Quebec economy. Rudin unfortunately shies away from this key question, arguing that his emphasis is "upon viewing the French banks as institutions that reflected the environment in which they operated and not as agents that structured that environment." The ultimate demise of most of the banks under Rudin's inspection suggests that much of the crucial process of capital formation in Quebec commerce and industry remains to be told and told, one suspects, largely in terms of English banking institutions. Rudin thus leaves us at a fork in the road: both the post-1925 history of the Banque Canadienne Nationale and its sister, the Provinciale, and the emergence of national banking power on St-James Street demand our attention.

Duncan McDowall
The Conference Board of Canada

Masson, Jack. *Alberta's Local Governments and Their Politics*. Edmonton: Pica Pica Press, 1985. Pp. xiii, 397. \$15.00 paper.

One of the long-standing complaints of students of the politics of local governments is the scarcity of material in the field. The book under review serves a dual purpose in this regard. First, it adds to the list of written materials. Second, it is different in that it presents a comprehensive study of local governments in one province. The book is, therefore, doubly welcome.

A debt of gratitude is owed to Professor Masson for the time and energy spent on producing this fact-filled and, at times, provocative volume. There is an abundance of data riches on such diverse topics as the number of council members for different localities, election turn-out rates, membership of regional planning commissions, salaries of elected officials, and the results of surveys on the attitudes towards party politics by size of community. In addition, there is a very interesting survey on the political relationships of Alberta's senior municipal administrators.

Masson's over-all frame-work of analysis follows the pattern used by the authors of general works in the field. His various chapters provide useful summaries of the literature dealing with the chapter topic under analysis. Given the specific focus of the study, however, there are departures from the traditional pattern. These include chapters on Specialized Forms of Local Government (e.g. the "border" city of Lloydminster, counties and irrigation districts); The Activities of Local Government (with specific examples such as protection services and economic development); Planning and the Political Process (one province's approach to the integrative mechanism of local government); and Municipal Elections and Plebiscites (where the influence of direct democracy still lingers).

But the book is more than just a compendium of facts and figures. The author has provided us with several provocative chapters amongst which are: Chapter 1 — The Nature of Local Government and, appropriately enough, Chapter 12 — The Future. In the book's first chapter Masson considers the eternal question of local government and democracy. He reaches back into the literature to reintroduce two old friends, neighbourhood government and his central theme "grass-roots politics." Masson's view is that grass-roots politics, as outlined in the book, can be the bridge between the different approaches of representative democracy and direct democracy. The latter in his view has had a substantial impact on Alberta's local politics. As an example of this influence he points to Section 123(1) of the Municipal Government Act which provides for an annual meeting of electors for the discussion of municipal affairs. New England style town meetings on the prairie and in the foothills?