

The Canadian Banking System, 1817-1890

CHAPTER I

INTRODUCTION

THE economic character of banking transactions varies little, wherever they may be concluded. To perform the functions of discount, deposit and note issue, to exchange rights to demand money for money, money for rights to demand it, and rights to demand money for other rights to demand it—from one point of view, that is the whole of banking. Banking systems differ, not so much in the character of their economic services, as in the degree of perfection with which those services are performed, the methods of accomplishing them, the principles on which banks are organized, the powers conferred to banks by statute, and the obligations and restrictions imposed upon them—the manner and completeness, in short, of the fulfilment of banking functions. Where, as in the territory which forms the present Dominion of Canada, banking has been subject to special enactments, since the time, practically, of its first introduction, it is possible to find in the statutes, or to infer from them, a tolerably accurate idea of that complex of business methods, principles of organization and legislative regulations which make up a system of banking. The purpose, therefore, of this investigation will be to trace the course of Canadian