

A Practical Treatise on Banking and Commerce.

CHAPTER I.

ELEMENTARY PRINCIPLES OF BANKING.

A BANKER'S SERVICE TO THE COMMUNITY—DEVELOPMENT OF MODERN BANKING—EMPLOYMENT OF A BANK'S FUNDS—RELATIONS BETWEEN THE BANKER AND THE MERCHANT.

EVERY man who expects to derive his subsistence from a community will find himself under obligation to render service thereto. This is a universal law of civilized life, in default of obedience to which another law will come into operation, viz., that if a man will not work, neither shall he eat.¹

A BANKER'S SERVICE TO THE COMMUNITY.

Service to a community is of various kinds, depending generally upon the inclination of the individual. Some men devote themselves to *production* in one or other of its manifold forms; a class of service that comes first in order of time in every community, but survives in the most advanced stage of development. Others devote themselves to *selling* what others produce. Others to the work of *transportation* by land or water. These are all departments of what is generally known as *business*. They are all forms of that labor which brings profit, and are all to be found in those rudimentary stages of a community with which the people of Canada and the United States are familiar. Long before there is any requirement for the services of a person whose business it is to take care of money, and to deal in it, there has been some progress made in the clearing or preparation of land: in making roads, in building houses, and also in the carrying on, in a rudimentary form, of farming, store-keeping, fishing, and other handicrafts. In addition to this, there generally arises

¹ It might be supposed that the class of wealthy men, and men of leisure, who gradually arise in a more advanced stage of society would be an exception under all circumstances to the above remark. But, as a matter of fact, there are but few members of this class who do not devote more or less time to gratuitous service for the community they live in. In England, they serve as unpaid Magistrates, Members of Parliament, and Guardians of the poor, as well as in numerous forms of benevolent activity. On this Continent, the larger part of such men devote time to church and benevolent work, sitting on numerous boards and committees, undertaking treasurerships, and various other unpaid but useful offices. In fact, if the services of our leisure class were to be estimated on a commercial basis, it would amount to a sum that would startle the most captious objectors.