

MANUAL OF CANADIAN BANKING

By H. M. P. Eckardt

INTRODUCTORY

In a country situated as Canada was, having the large part of its banking business connected with the gathering of produce over wide areas, and the shipping of it over long distances, with a corresponding process in the supplying of manufactured goods, whether from foreign countries or Canadian centres, economy and efficiency alike required a system of banking where the same institution could afford accommodation at fairly uniform rates over wide areas, and in many centres simultaneously. Obviously these objects were best secured by a few large banks with numerous branches.—Professor Shortt's *History of Canadian Currency, Banking and Exchange*, in the *Journal of the Canadian Bankers' Association*.

CHAPTER I.

These remarks applied to the Canada of 1870 and previous years. There were then, as now, the two kinds of banks—the large concerns, with branches in different parts of the country, and the small institutions, with operations confined to a particular place or section. Though several of the last named class have since been organized and successfully conducted, the tendency is unmistakably towards the complete absorption of the banking business of the country by banks with numerous branches. Progress towards that point has been at a greatly accelerated pace in the last few years. Of the localized banks, some have stopped, some have been absorbed by large banks, and others have saved themselves by broadening the area of their operations. Those possessing but a single office, like the national banks of the United States, have had a hard struggle to maintain their ground. They were never very numerous in the Dominion; one only now remains. Banks with a few branches, and these contained in a restricted area, were more in evidence. They have been rapidly disappearing or changing character.