

Section 3.—Commercial Banking

Since one of the chief functions of the early banks in Canada was to issue notes to provide a convenient currency or circulating medium, it has been expedient to cover both currency and banking in one historical sketch, which is given in the 1938 Year Book, pp. 900-905. A list of the banks at Confederation appears in the 1940 Year Book, p. 897, and bank absorptions since 1867 are given in the 1941 edition, pp. 812-813. A table in the 1937 Year Book, pp. 894-895, shows the insolvencies from Confederation; the last insolvency occurred in 1923. A summary of the more important changes resulting from the revision of the Bank Act in 1944 is given in the 1946 Year Book, pp. 961-962.

Subsection 1.—Chartered Banks

Canadian commercial banks are "chartered" or licensed by the Federal Government and operate under one federal statute—the Bank Act (R.S.C. 1952, c. 12). In the period 1881-1901, the number of chartered banks doing business in Canada under the Bank Act remained almost the same (36 in 1881 and 1891, and 34 in 1901), but during the present century there has been in banking, as in industry, an era of amalgamations and the number of banks declined to 25 in 1913 and to 10 in 1931. At the same time, banking facilities increased and the banking business continued its rapid development.

An Act to incorporate an additional chartered bank, called the Mercantile Bank of Canada (2 Eliz. II, c. 67), was given Royal Assent on Mar. 31, 1953. This Bank, the main office of which is located at Montreal, has a capital stock of \$3,000,000 divided into 300,000 shares of the par value of \$10 each. The Bank commenced business on Dec. 7, 1953.

9.—Branches of Chartered Banks in Canada, by Province, as at Dec. 31, for Certain Years 1868-1952

NOTE.—Figures for 1920 and subsequent years include sub-agencies in Canada for receiving deposits for the banks employing them.

Province or Territory	1868	1902	1905	1920	1926	1930	1940	1943	1946	1949	1950	1951	1952
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Newfoundland...	—	—	—	—	—	—	—	—	—	38	39	40	42
P. E. Island.....	—	9	10	41	28	28	25	23	23	23	23	23	23
Nova Scotia.....	5	89	101	169	134	138	134	126	127	137	144	147	148
New Brunswick..	4	35	49	121	101	102	97	93	96	98	100	101	101
Quebec.....	12	137	196	1,150	1,072	1,183	1,083	1,041	1,067	1,145	1,164	1,184	1,211
Ontario.....	100	349	549	1,586	1,326	1,409	1,208	1,092	1,117	1,219	1,257	1,304	1,315
Manitoba.....	—	52	95	349	224	239	162	148	151	161	165	168	174
Saskatchewan...	—	30	87	591	427	447	233	213	226	235	238	240	243
Alberta.....	—	30	87	424	269	304	172	163	190	230	246	257	264
British Columbia	2	46	55	242	186	229	192	180	216	268	294	304	318
Yukon and N.W.T.....	—	—	3	3	3	4	5	5	6	8	9	8	9
Canada.....	123	747	1,145	4,676	3,770	4,083	3,311	3,084	3,219	3,562	3,679	3,776	3,848