

if not recompensed for its expenditure out of the assets of the failed bank, must be reimbursed by contributions from the other banks *pro rata* to circulation.

At the third regular revision of the Bank Act in 1901 the Canadian Bankers' Association was given authority to appoint an Inspector to supervise the bank note circulation and see that no bank issued circulation in excess of its paid-up capital. In 1908 provision was made for emergency circulation during the crop-raising season from October to January, during which banks were allowed to issue excess circulation up to 15 p.c. of their combined paid-up capital and reserve or rest fund, this emergency circulation to be taxed at the rate of 5 p.c. per annum. In 1912 the period during which emergency circulation might be issued was extended to the six months from September to February inclusive.

At the fourth revision, which took place in 1913, the Bank Act was amended by providing for the establishment of central gold reserves in which banks might deposit gold or Dominion notes and issue additional notes of their own against such deposit. A shareholders' audit was also provided for. As a consequence of the war the provision for emergency circulation was extended to cover the whole year in 1914, while banks were authorized to make payments in their notes instead of in gold or Dominion notes.

**Chartered Banks in Canada.**—During the period from 1881 to 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, the number of chartered banks being reduced to 25 in 1913 and 17 in 1922. That this has been far from involving a curtailment of banking facilities is shown by Table 44, which shows the development of the banking business since 1868, and by Table 45, which compares the number of branch banks existing in Canada at different periods, showing a growth from 123 at Confederation to 4,659 as at December 31, 1921, besides 206 branches in other countries. Table 47 gives the number of branches of the various banks by provinces as at December 31, 1921, while Table 46 contains the statistics of branches of Canadian banks doing business outside of Canada, an extension of Canadian banking (more especially to Newfoundland and the West Indies) which has proceeded very rapidly in recent years.<sup>1</sup> Table 48 shows that the

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<sup>1</sup> The statistics of Tables 45, 46 and 47 have been furnished by the Canadian Bankers' Association.