

The head office of the Bank is at Ottawa, and it has an agency in each province, namely, at Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver, Saint John, Halifax and Charlottetown.

The Governor of the Bank is its chief executive officer, and he is assisted by a Deputy Governor and an Assistant Deputy Governor. The first appointments were made by the Government. Subsequent appointments are to be made by the Board of Directors subject to the approval of the Governor in Council.

At the first meeting of the shareholders on Jan. 23, 1935, seven directors were elected for terms to run as follows: one until the 3rd annual general meeting, two until the 4th, two until the 5th, and two until the 6th annual general meeting. In future the directors will be elected by the shareholders for terms of 5 years. Directors must hold at least 10 shares of capital stock of the Bank, must be British subjects ordinarily resident in Canada, must not receive remuneration out of public funds in any capacity, and must have no connection with a chartered bank.

There is also an Executive Committee of the Board of Directors consisting of the Governor, Deputy Governor, and one member of the board, which must meet once a week. This committee has the same powers as the board, but every decision is submitted to the Board of Directors at its next meeting. The board must meet at least four times a year. The Deputy Minister of Finance is an *ex officio* member of the Board of Directors and of the Executive Committee, but is without a vote.

**The Chartered Banks.**—A brief résumé of the Canadian banking system must emphasize: (1) its growth, from the beginning closely related to the Montreal produce and export trade and to the commerce of Halifax and Saint John; (2) its development of the branch bank system in order to meet the demands of a rapidly moving frontier of settlement; (3) its adaptation to the requirements of the grain and cattle trade of the west; and (4) the consolidation during later years of the features which tended towards its early success. The development of a stable system has been accompanied by failures, particularly marked about the middle of the 19th century, but progress has nevertheless been steady, based on sound principles, and adapted as closely as could be to the particular needs of the country.

The branch bank is perhaps the most distinctive feature of the Canadian system as it exists to-day, and for a country such as Canada, vast in area and with a small population, the plan has proved a good one. A result of the growth of branch banks has been the partially centralized system that now obtains—centralized as to banks, of which there are now 10, rather than as to districts as in the partially centralized system of the United States.

A second peculiarity of the system is the existence and operation of the Canadian Bankers' Association. Through this body, which was incorporated in 1900 and acts under the authority of the Dominion Treasury Board, co-operation of individual banks is facilitated and encouraged. The association supervises clearing-house transactions, and oversees the printing and issue of notes to its members. Adherence to similar principles and a linking together of the credit of the system result from the co-operation secured through the association.

The elimination of weaker banks or their amalgamation with more stable institutions has been a progressive move towards greater efficiency. Co-operation between