

ful debts, depreciation in assets, pension funds, and all such matters as are properly provided for by banks. The remainder of the profits will be paid into the Consolidated Revenue Fund of Canada and to the Rest Fund of the Bank in specified proportions until the Rest Fund is equal to the paid-up capital, when all the remaining profits will be paid into the Consolidated Revenue Fund.

The Bank may buy and sell securities of the Dominion and the provinces without restriction if of a maturity not exceeding two years, and in limited amounts if of longer maturity: short-term securities of the Dominion or provinces may be re-discounted. It may also buy and sell short-term securities of British Dominions, the United States, or France without restriction, if maturing within six months, and such securities having a maturity exceeding six months in limited amounts. The Bank may buy and sell certain classes of commercial paper of limited currency, and, if endorsed by a chartered bank, may re-discount such commercial paper. Advances for six-month periods may be made to chartered banks, Quebec Savings Banks, the Dominion, or any province against certain classes of collateral, and advances of specified duration may be made to the Dominion or any province in amounts not exceeding a fixed proportion of such government's revenue. The Bank may accept from the Dominion or Provincial Governments or from any chartered bank or any bank incorporated under the Quebec Savings Bank's Act, deposits which shall not bear interest. The Bank may buy and sell gold, silver, nickel, and bronze coin, and gold and silver bullion, and may deal in foreign exchange.

The provisions regarding the note issue of the Bank of Canada are dealt with on p. 938.

The Bank of Canada must maintain a reserve of gold equal to not less than 25 p.c. of its total note and deposit liabilities in Canada. The reserve, in addition to gold, may include silver bullion, balances in pounds sterling in the Bank of England, in United States dollars in the Federal Reserve Bank of New York, and in gold currencies in central banks in gold standard countries or in the Bank for International Settlements; treasury bills of the United Kingdom or the United States of America having a maturity not exceeding three months; and bills of exchange having a maturity not exceeding 90 days, payable in London or New York, or in a gold standard country, less any liabilities of the Bank payable in the currency of the United Kingdom, the United States of America, or a gold standard country.

The chartered banks are required to maintain a reserve of not less than 5 p.c. of their deposit liabilities payable in Canadian dollars in the form of deposits with and notes of the Bank of Canada.

The Bank acts as the fiscal agent of the Dominion of Canada without charge and may, by agreement, act as banker or fiscal agent of any province. The Bank does not accept deposits from individuals and does not compete with the chartered banks in commercial banking fields.

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

The Governor of the Bank is its chief executive officer and Chairman of the Board of Directors, 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 by the shareholders for terms to run as follows: one until the third annual general meeting (1938), two until the fourth (1939), two until the fifth (1940), and two until the sixth annual general meeting (1941). Directors are now appointed