profits were to be paid, in specified proportions, into the Rest Fund of the Bank (so long as it remained less than twice the paid-up capital) and the Consolidated Revenue Fund. Since 1944, when the transfer brought the Rest Fund up to slightly more than twice the paid-up capital, the whole of the remaining profits have been paid into the Consolidated Revenue Fund.

The Bank may buy and sell securities of the Government of Canada and provincial governments without restriction if of a maturity not exceeding two years and in limited amounts if of longer maturity; short-term securities of the Government of Canada and provincial governments may be rediscounted. The Bank may buy and sell short-term securities of Commonwealth countries, 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 rediscount such commercial paper. Advances for six-month periods may be made to chartered banks, Quebec Savings Banks, the Government of Canada or any provincial government against certain classes of collateral, and advances of specified duration may be made to the Government of Canada or any provincial government in amounts not exceeding a fixed proportion of such government's revenue. The Bank may accept deposits that do not bear interest from the Government of Canada or provincial governments, or from any chartered bank or any bank incorporated under the Quebec Savings Banks' Act. The Bank may buy and sell gold, silver, nickel and bronze coin, and gold and silver bullion, and may also deal in foreign exchange.

The provisions regarding the note issue of the Bank of Canada are dealt with at pp. 1128-1129.

The Bank of Canada Act provides that the Bank shall maintain a reserve of gold equal to not less than 25 p.c. of its total note and deposit liabilities in Canada. Under the terms of the Exchange Fund Order, 1940, authorizing the transfer of the Bank's gold holdings to the Foreign Exchange Control Board, the minimum gold reserve requirement was temporarily suspended; this suspension was continued under the Foreign Exchange Control Act, 1946, and subsequently to July 4, 1952, under the Currency, Mint and Exchange Fund Act (R.S.C. 1952, c. 315). 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 at 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 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.