



Section 3.—Commercial Banking

As 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. The more important of the revisions to banking legislation contained in the 1954 Bank Act are outlined in Subsection 1.

Subsection 1.—Chartered Banks

Canadian commercial banks are chartered or licensed by the Government of Canada and operate under one federal statute—the Bank Act—which is revised every ten years and brought into line with changing economic conditions. In addition to doing a commercial banking business, the chartered banks hold most of the public's savings deposits.

Revisions in Banking Legislation in 1954.—In 1954 there were a number of important changes in legislation affecting the operations of the chartered banks, arising out of the decennial revision of the Bank Act and revisions of the Bank of Canada Act and the National Housing Act.