

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 since Confederation; the last insolvency occurred in 1923.

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 conducting a commercial banking business the chartered banks hold most of the public's savings deposits. The last revision of the Bank Act took place in 1954. An outline of the revisions made at that time is given in the 1956 Year Book, pp. 1109-1110.

Branches of Chartered Banks.—Although there are fewer chartered banks now than at the beginning of the century, there has been a great increase in the number of branch banking offices. As a result of amalgamations, the number of banks declined from 34 in 1901 to 10 in 1931, and remained at that figure until the incorporation of a new bank—the Mercantile Bank of Canada—in 1953 brought the total to 11. Since then the amalgamation in 1955 of the Bank of Toronto and the Dominion Bank as the Toronto-Dominion Bank, and the amalgamation of Barclays Bank (Canada) with the Imperial Bank of Canada in 1956 has reduced this number to nine. The number of branches of chartered banks in each province from 1868 is given in Table 7.

7.—Branches of Chartered Banks, by Province, as at Dec. 31 for Certain Years 1868-1958

NOTE.—Figures for 1920 and subsequent years include sub-agencies in Canada receiving deposits for the banks employing them; there were 733 such sub-agencies in 1958.

Province or Territory	1868	1902	1905	1920	1926	1930	1940	1943	1946	1950	1956	1957	1958
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Newfoundland.....	...	...	...	...	...	...	...	...	...	39	55	59	65
Prince Edward Island....	—	9	10	41	28	28	25	23	23	23	24	24	24
Nova Scotia.....	5	89	101	169	134	138	134	126	127	144	156	159	164
New Brunswick.....	4	35	49	121	101	102	97	93	96	100	109	109	110
Quebec.....	12	137	196	1,150	1,072	1,183	1,083	1,041	1,067	1,164	1,318	1,337	1,363
Ontario.....	100	349	549	1,586	1,326	1,409	1,208	1,092	1,117	1,257	1,544	1,584	1,640
Manitoba.....	—	52	95	349	224	239	162	148	151	165	200	206	216
Saskatchewan.....	}	30	87	591	427	447	233	213	226	238	265	268	275
Alberta.....				424	269	304	172	163	190	246	322	337	352
British Columbia.....	2	46	55	242	186	229	192	180	216	294	414	436	455
Yukon and N.W.T.....	—	—	3	3	3	4	5	5	6	9	9	10	13
Canada.....	123	747	1,145	4,676	3,770	4,083	3,311	3,084	3,219	3,679	4,416	4,529	4,677