

Liquid Asset Ratio.—In the course of discussions with the chartered banks in November and December 1955, the Bank of Canada urged the adoption of a standard practice regarding the maintenance of a minimum ratio of liquid assets (cash, day-to-day loans and treasury bills) to deposits. The purpose of this suggestion was to establish a working principle of bank operations which would help the central bank in the task of restraining inflationary pressures that might threaten in the future. After discussion the banks agreed to work to achieve by May 31, 1956, a minimum liquid asset ratio of 15 p.c. which they would endeavour to maintain on a daily average basis from June on. On this basis, fluctuations above or below 15 p.c. might occur from day to day or week to week, but for the month as a whole the average would not be below the target ratio. From June 1956 the banks have maintained a daily average ratio of at least 15 p.c.

13.—Classification of Chartered Bank Deposit Liabilities Payable to the Public in Canada in Canadian Currency, as at Sept. 30, 1957 and 1958

Deposit Accounts of the Public of—	1957			1958		
	Personal Savings Deposit Accounts	Other Deposit Accounts of the Public	Total Deposit Accounts of the Public	Personal Savings Deposit Accounts	Other Deposit Accounts of the Public	Total Deposit Accounts of the Public
	No.	No.	No.	No.	No.	No.
Less than \$100.....	4,866,268	761,023	5,627,291	5,005,640	873,840	5,879,480
\$100 or over but less than \$1,000.....	2,949,492	612,645	3,562,137	2,987,386	686,009	3,673,395
\$1,000 or over but less than \$10,000.....	1,355,253	286,735	1,641,988	1,478,700	308,924	1,787,624
\$10,000 or over but less than \$100,000.....	57,452	49,132	106,584	68,511	54,054	122,565
\$100,000 or over.....	814	5,397	6,211	905	6,179	7,084
Totals, Deposits.....	9,229,279	1,714,932	10,944,211	9,541,142	1,929,006	11,470,148

14.—Classification of Chartered Bank Loans in Canadian Currency, as at Dec. 31, 1957 and 1958

Class of Loan	1957	1958
	\$'000,000	\$'000,000
General Loans—		
Personal.....	725.1	897.5
To individuals, fully secured by marketable bonds and stocks.....	266.6	237.0
Home improvement loans.....	48.0	67.6
To individuals, not elsewhere classified.....	410.5	552.9
Farmers—		
Farm Improvement Loans Act.....	125.4	139.3
Other farm loans.....	223.7	228.5
Industry.....	1,309.7	1,165.9
Chemical and rubber products.....	71.2	63.4
Electrical apparatus and supplies.....	53.4	54.6
Foods, beverages and tobacco.....	234.6	207.7
Forest products.....	207.6	155.1
Furniture.....	20.3	21.2
Iron and steel products.....	164.7	166.7
Mining and mine products.....	169.1	156.3
Petroleum and products.....	108.2	93.9
Textiles, leather and clothing.....	150.3	159.4
Transportation equipment.....	68.6	73.4
Other products.....	61.9	60.3
Merchandisers.....	734.5	699.3
Construction contractors.....	253.5	261.9
Public utilities, transportation and communications.....	173.1	134.2
Other business.....	412.7	471.7
Religious, educational, health and welfare institutions.....	115.0	139.6
Totals, General Loans.....	4,062.7	4,137.8