

12.—Detailed Statement of Chartered Bank Assets and Liabilities, as at Dec. 31, 1958 and 1959
—concluded

Liabilities	1958	1959
	\$'000	\$'000
Liabilities—concluded		
Personal savings deposits payable after notice, in Canada, in Canadian currency.....	6,843,687	6,899,639
Other deposits payable after notice, in Canadian currency.....	618,396	557,542
Other deposits payable on demand, in Canadian currency.....	4,635,915	4,144,353
Other deposits in currencies other than Canadian.....	1,649,191	1,842,151
Advances from Bank of Canada, secured.....	2,000	—
Acceptances, guarantees and letters of credit.....	196,988	206,808
Other liabilities.....	61,755	51,549
Capital paid up.....	225,609	254,115
Rest account.....	580,542	661,378
Undivided profits at latest fiscal year-end.....	6,642	10,155
Totals, Liabilities.....	15,840,274	15,834,924

13.—Canadian Cash Reserves, 1950-59

NOTE.—For periods prior to July 1954 all figures are daily averages; from July 1954, in accordance with the Bank Act 1954, Bank of Canada deposits are averages of the juridical days in the month shown while Bank of Canada notes and Canadian dollar deposits are averages of the four consecutive Wednesdays ending with the second last Wednesday in the previous month.

(Millions of dollars)

Year	Cash Reserves			Canadian Dollar Deposit Liabilities ¹	Average Cash Reserve Ratio ²
	Bank of Canada Deposits	Bank of Canada Notes	Total		
1950.....	548	207	755	7,487	10.1
1951.....	567	225	792	7,759	10.2
1952.....	606	239	844	8,110	10.4
1953.....	627	256	883	8,624	10.2
1954—January to June.....	634	260	894	8,820	10.1
1954—July to December.....	525	286	811	9,097	8.9
1955.....	541	293	834	9,915	8.4
1956.....	548	325	873	10,527	8.3
1957.....	535	335	870	10,601	8.2
1958.....	607	336	943	11,452 ^r	8.2
1959.....	648	351	999	12,187	8.2

¹ From July 1954 the figures are not adjusted for items in transit and are not strictly comparable with the figures for earlier periods. ² Prior to July 1, 1954, the statutory minimum requirement was 5 p.c. for each day; since that date it has been a monthly average of 8 p.c.

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.