

### Subsection 2.—Canadian Dollar Currency and Bank Deposits

Bank of Canada statistics concerning holdings of currency and bank deposits are given in Table 7.

#### 7.—Canadian Dollar Currency and Chartered Bank Deposits, as at Dec. 31, 1951-60

(Millions of dollars)

As at Dec. 31—	Currency Outside Banks			Chartered Bank Deposits				Total Currency and Chartered Bank Deposits <sup>1</sup>		
	Notes	Coin	Total	Personal Savings Deposits <sup>2</sup>	Government of Canada Deposits	Other Deposits <sup>2</sup>	Total <sup>1</sup>	Total Including Government Deposits	Held by General Public	
									Including Personal Savings Deposits	Excluding Personal Savings Deposits <sup>2</sup>
1951.....	1,191	84	1,275	4,296	88	3,100	7,484	8,759	8,671	4,375
1952.....	1,289	88	1,377	4,600	49	3,281	7,930	9,307	9,258	4,658
1953.....	1,335	94	1,430	4,756	473	3,130	8,359	9,789	9,316	4,560
1954.....	1,362	96	1,458	5,218	176	3,462	8,856	10,314	10,137	4,920
1955.....	1,449	101	1,550	5,633	517	3,697	9,847	11,397	10,880	5,248
1956.....	1,498	108	1,605	6,007	246	3,580	9,833	11,438	11,192	5,185
1957.....	1,555	112	1,667	6,108 <sup>2</sup>	423	3,725 <sup>2</sup>	10,256	11,923	11,500	5,392 <sup>2</sup>
1958.....	1,660	121	1,781	6,844	319	4,303	11,466	13,247	12,927	6,084
1959.....	1,705	128	1,832	6,900	404	4,057	11,360	13,193	12,789	5,890
1960.....	1,732	144	1,876	7,215	510	4,313	12,037	13,914	13,404	6,189

<sup>1</sup> Less total float, i.e., cheques and other items in transit.

<sup>2</sup> The deposit balances of religious, educational and welfare institutions and personal accounts used mainly for business purposes were reclassified from "personal savings deposits" to "other notice deposits" as at Sept. 30, 1957, in the returns of the banks to the Department of Finance; from that date the figures are thus not comparable with those for previous years. The amount of deposits reclassified was approximately \$140,000,000.

### Section 3.—Commercial Banking

The early history of currency and banking in Canada 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.

#### COMMERCIAL BANKING IN CANADA\*

The Canadian commercial banking system consists of eight privately owned banks, chartered by Parliament and operating under the provisions of the Bank Act. Of these eight, five are nation-wide institutions; two operate mainly in the Province of Quebec and in other French-speaking areas and one, a subsidiary of a Netherlands bank, has a branch in each of the three largest cities. At the end of 1960, these banks together operated 5,201 banking offices of which 5,051 were in Canada and 150 abroad. At that date Canada had roughly one banking office for every 3,600 people, compared with one for 4,000 in the United Kingdom and one for 7,300 in the United States. These facts illustrate the chief distinguishing features of the Canadian banking system: a relatively small number of large banks having an extensive network of branches, operating under a single legislative jurisdiction (the Federal Government) and under one detailed and comprehensive statute (the Bank Act). This system thus contrasts strongly with that of the United States, where both State and Federal Governments have power to legislate on banking, where most State laws still contain a variety of restrictions on the operation of branches, and where there is a large number of small banks. It also contrasts in many respect with British banking which (though also operating through a widespread system of branches) is subject to no specific code of banking legislation such as the Canadian Bank Act.

\* Prepared under the direction of J. Douglas Gibson, General Manager of The Bank of Nova Scotia.