

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, 1952-61

(Millions of dollars)

As at Dec. 31—	Currency Outside Banks			Chartered Bank Deposits				Total Currency and Chartered Bank Deposits ¹		
	Notes	Coin	Total	Personal Savings Deposits ²	Government of Canada Deposits	Other Deposits ^{1,2}	Total ¹	Total Including Government Deposits	Held by General Public	
									Including Personal Savings Deposits	Excluding Personal Savings Deposits ²
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 ²	423	3,725 ²	10,256	11,923	11,500	5,392 ²
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
1961.....	1,800	158	1,959	7,618	588	4,998	13,205	15,163	14,575	6,957

¹ Less total float, i.e., cheques and other items in transit. ² 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.—The Commercial Banking System*

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 1961, these banks together operated 5,381 banking offices of which 5,224 were in Canada and 157 abroad. At that date Canada had roughly one banking office for every 3,300 people, compared with one for 4,000 in Britain 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).

Since the first banks were established during the first quarter of the nineteenth century, the commercial banking system has developed in response to the changing needs of the Canadian economy, an evolution which is still in rapid progress today. Canadian economic development has been characterized by two main features—successive but by no means continuous periods of rapid geographical expansion of settlement, and a continued dependence on export markets as new natural resources (agricultural land, forests and

* Condensed and revised article prepared for the 1961 Year Book by J. Douglas Gibson, General Manager of The Bank of Nova Scotia. 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 1887 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.