

CHAPTER XXV.—BANKING, OTHER COMMERCIAL FINANCE AND INSURANCE

CONSPECTUS

	PAGE		PAGE
Part I.—Banking and Other Commercial Finance	1111	Subsection 3. Finances of Companies Transacting Life Insurance under Federal Registration.....	1141
SECTION 1. BANKING.....	1111	Subsection 4. Life Insurance in Canada Transacted by Fraternal Benefit Societies.....	1143
Subsection 1. The Bank of Canada.....	1111	Subsection 5. Life Insurance Effected and in Force Outside Canada by Canadian Companies under Federal Registration.....	1145
Subsection 2. Currency.....	1116	SECTION 2. FIRE AND CASUALTY INSURANCE.....	1147
Subsection 3. The Chartered Banks.....	1119	Subsection 1. Fire Insurance Transacted in Canada by Companies under Federal Registration.....	1147
Subsection 4. Government and Other Banking Institutions.....	1126	Subsection 2. Fire Losses.....	1148
SECTION 2. OTHER COMMERCIAL FINANCE.....	1128	Subsection 3. Casualty Insurance Transacted in Canada by Companies under Federal Registration.....	1150
Subsection 1. Trust and Mortgage Loan Companies.....	1128	Subsection 4. Finances of Companies Transacting Fire and Casualty Insurance under Federal Registration.....	1150
Subsection 2. Licensed Small Loans Companies and Licensed Money-Lenders..	1131	SECTION 3. GOVERNMENT INSURANCE.....	1152
Subsection 3. Foreign Exchange.....	1133	SECTION 4. PENSION PLANS.....	1154
Subsection 4. The Bond Market.....	1135		
Part II.—Insurance	1137		
SECTION 1. LIFE INSURANCE.....	1137		
Subsection 1. Summary of Life Insurance in Canada.....	1138		
Subsection 2. Operational Statistics for Life Insurance Transacted in Canada by Companies under Federal Registration.....	1138		

The interpretation of the symbols used in the tables throughout the Year Book will be found on p. xvi of this volume.

PART I.—BANKING AND OTHER COMMERCIAL FINANCE

Section 1.—Banking

Subsection 1.—The Bank of Canada*

Canada's central bank, the Bank of Canada, began operations on Mar. 11, 1935, under the terms of the Bank of Canada Act of 1934 which charged it with the responsibility for regulating "credit and currency in the best interests of the economic life of the nation", and conferred on it specific powers for discharging this responsibility. Through the exercise of these powers, the Bank broadly determines the combined total of the most common forms of Canadian money held by the community, chartered bank deposits and currency. The 1967 revision of the Bank of Canada Act contained a number of technical amendments designed to assist the Bank in discharging its responsibilities and account is taken of these changes in the following description of the Bank's operations.

The provisions of the Bank of Canada Act enable the central bank to determine the total amount of cash reserves available to the chartered banks as a group and thus to control the rate of expansion of the total assets and deposit liabilities of the banking system as a whole. The Bank Act, which regulates the operation of the chartered banks, requires that each chartered bank maintain a stipulated minimum average amount of cash reserves,

* Revised by the Research Department of the Bank of Canada.