

7.—Canadian Dollar Currency and Chartered Bank Deposits, as at Dec. 31, 1958-67

(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	Government of Canada Deposits	Other Deposits ¹	Total ¹	Total Including Government Deposits	Held by General Public	
									Including Personal Savings Deposits	Excluding Personal Savings Deposits
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
1962.....	1,817	177	1,994	7,932	564	5,193	13,689	15,683	15,119	7,187
1963.....	1,886	198	2,084	8,443	914	5,623	14,980	17,064	16,150	7,707
1964.....	2,025	229	2,254	8,935	696	6,164	15,795	18,049	17,353	8,418
1965.....	2,153	266	2,419	9,725	797	7,201	17,723	20,142	19,345	7,576
1966.....	2,296	293	2,589	10,248	919	7,741	18,908	21,497	20,578	10,330
1967.....	2,494	335	2,829	11,760	618	9,095	21,473	24,302	23,685	11,925

¹ Less total float, i.e., cheques and other items in transit.

Subsection 3.—The Chartered Banks

Canada's commercial banking system consists of nine privately owned banks. Eight have been in operation for many years and one was granted a charter in 1967.* At the end of December 1967, these banks operated 5,879 banking offices in Canada and 179 abroad. Canadian chartered banks engage in a very wide range of activities; they accept various types of deposits from the public including accounts payable on demand, both chequing and non-chequing, notice deposits and fixed-term deposits. The banks, in addition to holding a portfolio of securities, make loans under a wide variety of conditions for commercial, industrial, agricultural and consumer purposes. They also deal in foreign exchange, receive and pay out bank notes, provide safekeeping facilities and perform a variety of other services. For the most part, these operations are carried out in Canada by the extensive network of bank branches. The head offices of the banks confine their activities largely to general administration and policy-making functions, the management of the banks' investment portfolio and related matters. A detailed account of the branch banking system in Canada is given in the 1967 Year Book, pp. 1126-1128.

All banks operating in Canada are chartered (i.e., licensed) by Parliament under the terms of the Bank Act. The Act regulates certain internal aspects of bank operations such as the auditing of accounts, the issuing of stock, the setting aside of reserves and similar matters. In addition, the Bank Act regulates the banks' relationship with the public, the Government and the Bank of Canada.

It has been the practice in Canada to revise the Bank Act at approximately ten-year intervals. The most recent revision was enacted by Parliament early in 1967 and came into effect on May 1 of that year. The remainder of this subsection deals with the principal changes incorporated in the new Bank Act.

Acceptance by the Government of some of the main recommendations of the Royal Commission on Banking and Finance for increased competition and flexibility in the Canadian banking system was reflected in various new Bank Act provisions. These imposed certain restrictions on corporate and other relationships between banks and other financial

* The Bank of British Columbia was granted a charter by Parliament in December 1966 but as of Feb. 29, 1968 had not commenced operation.