

amount not in excess of 25% of their paid-up capital on March 11, 1935. Bank of Canada notes thus replaced chartered bank notes as the issue of the latter was reduced. Further restrictions introduced by the 1944 revision of the Bank Act cancelled the right of chartered banks to issue or reissue notes after January 1, 1945, and in January 1950 the chartered banks' liability for such of their notes issued for circulation in Canada as then remained outstanding was transferred to the Bank of Canada in return for payment of a like sum to the Bank of Canada.

Bank of Canada note liabilities for the years 1973-75 are given in Table 19.4. Note circulation in public hands as at December 31, 1975 amounted to \$6,078.6 million, compared to \$5,212.8 million in 1974 and \$4,620.2 million in 1973. Bank of Canada statistics concerning currency and chartered bank deposits are given in Table 19.5.

### **Coinage**

#### **19.1.3**

Under the Currency and Exchange Act (RSC 1970, c.C-39), gold coins may be issued in the denomination of \$20 (nine tenths fine or millesimal fineness 900); and subsidiary coins in denominations of \$1, 50 cents, 25 cents, 10 cents (five tenths fine or millesimal fineness 500, or pure nickel), 5 cents (pure nickel), and 1 cent (bronze — copper, tin and zinc). Provision is made for the temporary alteration of composition in the event of a shortage of prescribed metals. A tender of payment of money in coins is a legal tender in the case of gold coins issued under the authority of Section 4 of the Currency and Exchange Act for the payment of any amount; in the case of denomination of 10 cents or greater but not exceeding \$1 for the payment of an amount up to \$10; in the case of denomination of 5 cents for payment up to \$5; and in the case of 1 cent for payment of up to 25 cents.

Table 19.6 gives figures for the value of Canadian coins in circulation. Receipts of gold bullion at the Royal Canadian Mint and bullion and coinage issued are given in Table 19.7.

The Ottawa Mint, established as a branch of the Royal Mint under the United Kingdom Coinage Act of 1870, was opened on January 2, 1908. On December 1, 1931, by an Act of the Canadian Parliament it became the Royal Canadian Mint and operated as a branch of the Department of Finance. The Mint was established as a Crown corporation in 1969 by the Government Organization Act of 1969 to allow for a more industrial type of organization and for flexibility in producing coins of Canada and other countries; to buy, sell, melt, assay and refine gold and precious metals; and to produce medals, plaques and other devices.

Financial and budgeting arrangements are similar to those of other Crown companies carrying on industrial or commercial operations. Loans are made from the Consolidated Revenue Fund for operating and capital expenses, with the total outstanding at any time limited to \$35 million. Provision is made for loans for temporary purposes and a reserve is established against losses. Operations are conducted with the aim of making a small profit.

On December 16, 1971, a decision was made by the Cabinet to locate a new plant for the production of coin for general circulation in the Winnipeg area of Manitoba. Work on the site was begun in October 1972 and the plant was officially opened on April 30, 1976.

The Olympic (1976) Act, assented to on July 27, 1973, authorized the issue of silver coins in the denominations of \$5 and \$10 during the years 1973, 1974, 1975 and 1976 to commemorate the XXI Olympiad. A payment of money in Olympic coins is a legal tender for payment of an amount not exceeding \$20.

### **Chartered banks**

#### **19.1.4**

Canada's commercial banking system consists of 12 privately owned banks of which eight have been in operation for many years. Four began operation recently; one in July 1968, another in January 1973, and two more in late 1976. At the end of December 1975, these banks operated 7,035 banking offices in Canada