

associated shareholders may vote more than 10% of a bank's total shares outstanding and, if more than 25% of a bank's shares are owned by non-residents, the total outstanding liabilities of the bank may not exceed 20 times its authorized capital stock.

The Bank Act also stipulates the minimum statutory cash reserve requirement that the chartered banks must observe. The minimum amount of Bank of Canada notes and deposits each bank must hold as cash reserves was changed in a series of monthly steps from 8% of all Canadian dollar deposits under the old Bank Act to 12% of demand deposits and 4% of other deposits as at February 1968. In addition, the Bank of Canada was given stand-by powers to require the banks to hold a "secondary reserve" which would consist of cash in excess of their statutory requirements, holdings of treasury bills and day-to-day loans to investment dealers. When initially introduced, this secondary reserve cannot exceed 6% of a bank's deposit liabilities. Thereafter it may be increased in monthly steps of 1% to a maximum of 12%. The Bank of Canada may reduce or remove such a secondary reserve at any time. Secondary reserve requirements since March 1968 are as follows: March 1968, 6%; April 1968, 7%; June 1969, 8%; July 1970, 9%; December 1971, 8.5%; January 1972, 8%; December 1974, 7%; January 1975, 6%; March 1975, 5.5%.

The 1967 Bank Act was due to expire in 1977. A white paper related to the government's proposals for further revision was promulgated in August 1976 to provide public discussion prior to the enactment of new legislation.

Chartered bank financial statistics for recent years are given in Tables 19.8 - 19.12; month-end data are available in the *Bank of Canada Review*.

**Branches of chartered banks.** Although there are fewer chartered banks now than at the beginning of the century, there has been a great increase in the number of branch banking offices. As a result of amalgamations, the number of banks declined from 34 in 1901 to 10 in 1931, and remained at that figure until the incorporation of a new bank — The Mercantile Bank of Canada — in 1953 brought the total to 11. Since then the amalgamation in 1955 of the Bank of Toronto and the Dominion Bank as the Toronto Dominion Bank, the amalgamation of Barclays Bank (Canada) with the Imperial Bank of Canada in 1956 and the amalgamation of the Canadian Bank of Commerce and the Imperial Bank of Canada as the Canadian Imperial Bank of Commerce on June 1, 1961 reduced this number to eight. The Bank of British Columbia was granted a charter by Parliament in December 1966 and commenced operations in July 1968. The Unity Bank of Canada was granted a charter in November 1972 and commenced operations in 1973. The Canadian Commercial and Industrial Bank was granted a charter in June 1976 and commenced operations in September 1976. The Northland Bank received its charter in December 1975 and began operations in November 1976. The number of branches of chartered banks in each province at various periods between 1920 and 1975 is given in Table 19.13.

Branches of individual Canadian chartered banks by province as at December 31, 1974 and 1975 and outside Canada as at December 31, 1975 are given in Tables 19.14 and 19.15.

**Cheque payments.** The value of cheques cashed in 50 clearing centres across Canada rose steadily during 1974 and 1975, with a smaller increase in 1976, reaching totals of \$1,698,780 million, \$2,138,527 million and \$2,469,599 million respectively. This represented increases of 24.0%, 25.9% and 15.5% in the three years. All five geographic regions showed growth, with the largest percentage increases over the three years in the Prairie provinces, followed by Quebec, British Columbia, the Atlantic provinces and Ontario. Payments in the two leading centres also increased, with Montreal showing the greatest gain, 30.9%, in 1974 and Toronto 30.4% in 1975. In 1976 payments in these two centres reached all-time highs, Toronto advancing 10.9% and Montreal 19.8% (Table 19.33).