

The head office is in Montreal and there are five regional offices and 90 branch offices across Canada. Some 98% of the loans made by the bank are approved at the branch or regional offices.

19.1.2 Currency

How bank notes became the chief circulating medium in Canada prior to 1935 is described in the *Canada Year Book 1938* pp 900-905. Features of the development which then became permanent are outlined in the *Canada Year Book 1941* pp 809-810.

When the Bank of Canada began operations in 1935 it assumed liability for Dominion notes outstanding. These were gradually replaced in public circulation and partly replaced in cash reserves by the central bank's legal tender notes. 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 1974-76 are given in Table 19.4. Note circulation in public hands as at December 31, 1976 amounted to \$6,572.8 million, compared to \$6,078.6 million in 1975 and \$5,212.8 million in 1974. Bank of Canada statistics concerning currency and chartered bank deposits are given in Table 19.5.

19.1.3 Coinage

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, silver, or pure nickel), five cents (pure nickel), and one cent (bronze — copper, tin and zinc). Provision is made for the temporary alteration of composition in the event of a shortage of prescribed metals.

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 finance department. 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. The mint reports to Parliament through the minister of supply and services.

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 Winnipeg. The plant was officially opened on April 30, 1976.

19.1.4 Chartered banks

Canada's commercial banking system consists of 11 private banks of which eight have been in operation for many years. Three began operation recently; one in July 1968, and two more in late 1976. Another, which began operations in January 1973, amalgamated in 1977 with one of the long-established banks. At the end of December 1977, these banks operated 7,324 banking offices in Canada and 280 abroad. Canadian chartered banks accept various types of deposit from the public including accounts payable on demand, both chequing and non-chequing, notice deposits and fixed-term deposits. In addition to holding a portfolio of securities, they 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 various other services. For the most part, these operations are carried out