

by the extensive network of bank branches. Head offices of the banks confine their activities largely to general administration and policy functions, the management of investment portfolios and related matters. A detailed account of the branch banking system in Canada is given in the *Canada Year Book 1967* pp 1126-1128.

All banks operating in Canada are chartered 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 their relationship with the public, the government and the Bank of Canada.

The Bank Act has been revised at approximately 10-year intervals; the most recent revision was enacted by Parliament early in 1967 and came into effect May 1 of that year. In August 1976, the federal government published a white paper dealing with the next revision of the Bank Act. Because the proposals are still being discussed, legislation to extend the present Bank Act to March 31, 1979 was introduced in the House of Commons on December 13, 1977.

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, commenced operations in 1973, but amalgamated with the Provincial Bank of Canada in June 1977. 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 the 11 chartered banks in each province at various periods between 1920 and 1977 is given in Table 19.13.

Branches of individual Canadian chartered banks by province as at December 31, 1976 and 1977 are given in Table 19.14. The Canadian banks also maintain about 280 offices abroad in more than 40 countries, providing important links in facilitating trade and handling international operations of all kinds.

Cheque payments. The value of cheques cashed in 50 clearing centres during 1977 reached a high of \$2,718,308 million, an increase of 10.1% above the value of \$2,469,599 million for 1976. All five geographic regions showed increases, with the Atlantic provinces showing an increase of 5.3%, Quebec 9.0%, Ontario 11.2%, the Prairie provinces 10.4% and British Columbia 7.0%. Payments in the two leading centres also reached new highs, Toronto advancing 12.1% and Montreal 11.2% over 1976.

Other banking institutions

19.1.5

In addition to the savings departments of the chartered banks and of trust and loan companies, there are provincial government financial institutions in Ontario and Alberta, and the Montreal City and District Savings Bank in Quebec, established under federal legislation and reporting monthly to the finance department. Co-operative credit unions also encourage savings and extend small loans to their members.

Province of Ontario Savings Office. The establishment of the Province of Ontario Savings Office was authorized by the provincial legislature at the 1921 session and the first branches were opened in March 1922. Interest at the rate of 6.25% per annum (as at January 1, 1978), compounded half-yearly, is paid on accounts; deposits are repayable