

The head office of the Bank of Canada is in Ottawa. It has agencies in Halifax, Saint John, Montréal, Ottawa, Toronto, Winnipeg, Regina, Calgary and Vancouver and is represented by other institutions in St. John's and Charlottetown. In addition there are representatives of head office departments in Montréal, Toronto, Edmonton and Vancouver.

18.1.2 Currency

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 with a concurrent adjustment to the banks' deposits at the Bank of Canada.

Bank of Canada note liabilities for the years 1979-83 are given in Table 18.4. Note circulation in public hands as at December 31, 1983 amounted to \$11.6 billion, compared to \$10.5 billion in 1982 and \$9.6 billion in 1981. Bank of Canada statistics concerning currency and chartered bank deposits are given in Table 18.5.

18.1.3 Coinage

Under the Currency and Exchange Act (RSC 1970, c.C-39), gold coins may be issued in the denomination of \$5, \$10, \$20, \$50 and \$100; and subsidiary coins in denominations of \$1, 50 cents, 25 cents, 10 cents, five cents and one cent.

Table 18.6 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 18.7.

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.

In December 1971, a cabinet decision was made to locate a new plant for the production of coin for general circulation in Winnipeg. The plant was offi-

cially opened on April 30, 1976. It supplies most of Canada's commercial coins and produces coinage for foreign countries that lack minting capacity. The Ottawa mint produces medals, plaques and other devices and refines Canadian gold. The Hull mint produces collectors' coins.

18.1.4 Chartered banks

Canada's chartered banks operate under the Bank Act which regulates certain internal aspects of bank operations such as auditing accounts, issuing stock, setting aside reserves and similar matters. In addition, the Bank Act generally provides for the supervision of the banks by the Inspector General of Banks, a government-appointed official. The act is revised at approximately 10-year intervals; the latest revision was enacted in December 1980. Under the revised Bank Act, foreign banks are permitted to incorporate subsidiaries by letters patent. The banking system at March 31, 1984 consisted of 13 Canadian-owned banks which have been chartered by Parliament, and 58 foreign-owned banks which have received their letters patent. The banks operated 7,084 banking offices in Canada including 149 offices of the foreign bank subsidiaries.

Among the foreign banks with subsidiaries in Canada, 41 had head offices in Toronto as at March 1984. These included 15 banks from the United States, six from the United Kingdom, five from Japan, three each from Switzerland and Israel, two each from Italy and the Federal Republic of Germany, and one each from France, Spain, India, Taiwan and Singapore.

Montréal had headquarters for banks from France, the United States, Greece and Luxembourg. Vancouver had head offices for banks from Hong Kong, Japan, the United States and Korea. Calgary was the head office location for one US bank subsidiary.

Canadian banks generally accept various types of deposits 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 typically make loans under various conditions for commercial, industrial, agricultural, and consumer purposes. Under the current revision to the Bank Act, banks may also carry out certain types of leasing and factoring business through subsidiaries. Banks also generally deal in foreign exchange, receive and pay out bank notes, and provide safekeeping facilities.

Chartered bank financial statistics for recent years are given in Tables 18.8 - 18.11; month-end data are available in the *Bank of Canada review*.

Although there has been a great increase in the number of chartered banks since December 1980, there has been a decline in the number of branches. Reflecting earlier historical growth, the number of branches of the chartered banks in each province at