

authorized by the Industrial Development Bank Act to purchase bonds and debentures issued by the Industrial Development Bank. The Bank may buy and sell gold, silver, nickel and bronze coin, and gold and silver bullion, and may also deal in foreign exchange. The Bank may accept deposits that do not bear interest from the Government of Canada, the government of any province, any chartered bank or any bank to which the Quebec Savings Bank Act applies. The Bank does not accept deposits from individuals and does not compete with the chartered banks in commercial banking fields.

Sect. 23 of the Bank of Canada Act provides that the Bank shall maintain a reserve of gold equal to not less than 25 p.c. of its outstanding notes and deposit liabilities. This requirement was suspended in 1940 when, under the terms of the Exchange Fund Order, the Bank's gold holdings were transferred to the Exchange Fund Account to form part of Canada's official gold and United States dollar reserves. The requirement is still in suspension. The Currency, Mint and Exchange Fund Act passed in 1952 provides that, notwithstanding Sect. 23 of the Bank of Canada Act, the Bank of Canada is not required to maintain a minimum or fixed ratio of gold or foreign exchange to its liabilities unless the Governor in Council otherwise prescribes.

The Bank is under the management of a Board of Directors composed of a Governor, a Deputy Governor and twelve directors. The Governor and Deputy Governor are appointed for terms of seven years each by the Directors, with the approval of the Governor General in Council. The Directors are appointed by the Minister of Finance, with the approval of the Governor General in Council, for terms of three years each. The Deputy Minister of Finance is a member of the Board but does not have the right to vote. There is an Executive Committee of the Board composed of the Governor, the Deputy Governor, one director and the Deputy Minister of Finance (who is without a vote) which has the same powers as the Board except that its every decision must be submitted to the Board at its next meeting.

In addition to the Deputy Governor who is a member of the Board, there may be one or more Deputy Governors who are appointed by the Board of Directors to perform such duties as are assigned to them by the Board.

The Governor is the chief executive officer of the Bank and Chairman of the Board of Directors. The Governor has the power to veto any action or decision of the Board of Directors or of the Executive Committee but such a veto is subject to confirmation or disallowance by the Governor General in Council. In the absence of the Governor, the Deputy Governor, who is a member of the Board, exercises all the powers and functions of the Governor.

The capital of the Bank is \$5,000,000 and is entirely held by the Minister of Finance. The Bank of Canada Act as amended in 1954 provides that each year 20 p.c. of the Bank's annual profits (after provision for depreciation in assets, pension funds and such matters) shall be allocated to the Rest Fund until the Rest Fund reaches an amount five times the paid-up capital of the Bank and the remainder shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund. At the end of 1955 the Rest Fund of the Bank reached its maximum of \$25,000,000 so that in future the whole of the Bank's profits will be paid to the Receiver General.

The head office of the Bank is at Ottawa. It has agencies at Halifax, Saint John, Montreal, Ottawa, Toronto, Winnipeg, Regina, Calgary and Vancouver and is represented in St. John's and Charlottetown. The agencies are chiefly concerned with the functions of the Bank as fiscal agent for the Government of Canada and with the issue and redemption of currency. The Industrial Development Bank, which is described on pp. 1103-1104, is a subsidiary of the Bank of Canada.

The Bank of Canada Act requires that statements of the assets and liabilities of the Bank on each Wednesday and the last day of each month be published in the *Canada Gazette*. A summary of the statement as at Dec. 31, 1953-55 appears in Table 1.