

815. Canada has no gold coinage of her own. Silver coins in use are fifty, twenty-five, twenty, ten and five cents.

816. The Government of Canada and the chartered banks issue paper money. The former has exclusive power to issue notes of the denominations, \$4, \$2, \$1, and 25 cents (fractional currency), no bank in the Dominion being permitted to issue notes for a less sum than \$5, or for any sum not a multiple of \$5.

817. Dominion notes may be issued under the authority of the Governor in Council to an extent not exceeding \$21,000,000. The maximum amount was \$20,000,000, but by Order in Council, 21st October, 1893, authority was given increasing the amount by one million—such increase to be against an equal amount of gold.

This increase was deemed advisable because in that month the circulation was rapidly rising. The highest point reached was on 31st October, 1893, when the circulation was \$19,844,248.

818. Eleven million dollars of the Dominion note circulation are in notes of \$500 and \$1,000, and are principally held by the banks as part of their cash reserves, because, by the Bank Act, 40 per cent of the reserve of cash held by the banks must be in Dominion notes; they are also used in the settlements between banks.

819. In order to secure the redemption of Dominion Government notes, the Minister of Finance is required to hold in gold and securities guaranteed by the Imperial Government, a sum equal to 25 per cent of the amount issued, of which 15 per cent must be in gold and 10 per cent in guaranteed securities—the remaining 75 per cent to be covered by Dominion debentures, issued by authority of Parliament.

820. On the 31st December, 1893, there were held :—

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|-------------------------------------|---------------------|
| Specie..... | \$ 7,843,281 |
| Guaranteed sterling debentures..... | 1,946,666 |
| Unguaranteed debentures..... | 15,000,000 |
| Total..... | <u>\$24,789,947</u> |

being an excess of the amount required to be held of \$4,848,712 in specie and guaranteed debentures, and of \$176,294 in unguaranteed debentures. If Dominion notes should at any time be issued in excess of the amount authorized, gold for their redemp-