

guaranteed by the Imperial Government, and for the remainder in unguaranteed bonds issued by authority of Parliament.

In 1870, the issue was fixed at \$9,000,000, with a 20 per cent specie reserve, any excess to be fully covered by specie. In 1872, the issues in excess of \$9,000,000 were required to be covered by specie to the extent of 35 per cent. In 1875, 50 per cent specie reserve was required for \$3,000,000 above and beyond the \$9,000,000, any excess over \$12,000,000 to be fully covered.

In 1880, the law authorized the issue of \$20,000,000, to be covered by, at least, 15 per cent of gold, 10 per cent addition in gold or Dominion securities guaranteed by Great Britain, and the remainder in unguaranteed Dominion bonds, any excess above \$20,000,000 to be covered fully with gold.

In 1895, an Act provided that the issue may exceed \$20,000,000, provided that in addition to any amount required to be held in gold under previous Acts, a further amount in gold equal to the excess of issued notes over 20 million shall be held.

1081. These notes are full legal tender, redeemable in specie on demand, and are of the following denominations: 25 cents, \$1, \$2, \$4, \$50, \$100, \$500 and \$1,000; occasionally old issues called provincial notes of \$5, \$10, and \$20 are met.

\$13,000,000 of the Dominion note circulation are in notes of \$500 and \$1,000, and are principally held by the chartered banks as part of their cash reserves, because by the Banking Act 40 per cent of the reserve cash must be in Dominion notes; these are chiefly used in the settlements between banks.

On the 31st December, 1894, there were held in connection with the Dominion notes:

Specie	\$ 9,470,919
Guaranteed sterling debentures	1,946,667
Unguaranteed debentures	17,250,000
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	<u>\$28,667,586</u>

This was in excess of the amount required to be held of \$4,865,125 in specie and guaranteed debentures, and of \$1,318,618 in unguaranteed debentures. Compared with 31st December, 1894, these figures show an increase of \$1,627,638 in specie, and of \$2,250,000 in unguaranteed debentures; guaranteed debentures remaining the same.

If at any time Dominion notes should be issued in excess of the amount authorized, gold for their redemption is required to be held to the full amount of the excess. Officers to superintend the distribution of specie and Dominion notes to the several banks are: 1st, the Comptroller of Currency at Ottawa, and, 2nd, the Assistant Receiver-General, appointed in the following cities: Toronto, Montreal, Halifax, St. John, N.B., Victoria, B.C., Charlottetown and Winnipeg.