

1100. During the twelve months intervening between March 31st, 1894, and March 31st, 1895, the holdings of specie were increased by \$574,315, and of Dominion notes by \$1,427,089, or together, \$2,001,404.

1101. During the same period the Dominion Government strengthened its position, as the following statement shows:—

	1893.	1894.	1895.
	\$	\$	\$
Specie held by the Asst. Receivers General on 31st March	5,550,381	7,624,382	9,175,245
Guaranteed sterling debentures	1,946,667	1,946,667	1,946,667
Total held	7,497,048	9,471,049	11,121,912
Total required to be held by law	4,396,928	4,887,025	6,183,559
Excess of specie and guaranteed debentures beyond the requirements of the statute	3,100,120	4,684,024	4,938,353
Unguaranteed debentures held	15,000,000	15,000,000	17,250,000
Unguaranteed debentures to be held under statute	13,190,784	14,661,073	15,709,677

1102. By applying the test of circulation, it is seen that the year 1893 had the highest average of any year since Confederation. By five-year periods the average circulation is as follows:—

1869-73, average of 5 years	\$ 19,613,142
1874-78 " "	22,673,300
1879-83 " "	27,479,560
1884-88 " "	31,377,000
1889-93 " "	33,140,600
1894	31,166,003

1103. The circulation of Dominion Government notes of \$20 and under, being the denominations which circulate among the people, average as under:—

1874-78, average of 5 years	\$ 3,712,894
1879-83 " "	4,928,216
1884-88 " "	6,358,407
1889-93 " "	7,097,000
1894	7,224,953

1104. It is thus shown that the business of the country required in 1889-93, \$40,237,600, against \$26,386,194 in 1874-78. In 1894 the amount required was \$1,846,644 less than the average of the 5 years immediately preceding. It must be remembered that the employment of cheques in settling accounts is constantly increasing so that the increase of over 50 per cent in the note circulation does not represent the total increase which has taken place in the internal trade and traffic of the Dominion.

1105. The highest circulation of bank notes in any one day during 1894, was in November, when the returns show that \$35,640,491 were outside of the banks. This amount was exceeded in 1893, in November, when the