

935. The amount due to Canadian banks from agencies and banks outside of Canada in the five years, 1891 to 1895 (30th June), was :—

—	1891.	1892.	1893.	1894.	1895.
	\$	\$	\$	\$	\$
Amount due by Canadian banks . . .	4,774,209	5,103,355	4,962,104	5,642,918	4,801,492
Net amount due to Canadian banks from agencies in United Kingdom and foreign countries . . . . .	16,177,777	15,927,995	13,956,944	13,094,071	20,017,690
Total due to Canadian banks . . . . .	20,951,986	21,031,350	18,919,048	18,736,989	24,819,182

It is evident that the banks of Canada have largely increased the amount of their funds held abroad for banking purposes.

936. Taking specie and Dominion notes held by the banks, the comparison for five years is :—

—	1891.	1892.	1893.	1894.	1895.
	\$	\$	\$	\$	\$
Specie . . . . .	6,673,974	6,536,818	6,412,342	7,438,513	7,471,967
Dominion notes . . . . .	10,734,521	11,389,592	12,135,327	14,016,698	13,473,432
Total . . . . .	17,408,495	17,926,410	18,547,669	21,455,211	20,945,399

937. 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 of bank notes 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
1895 . . . . .	30,807,041

938. 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
1895 . . . . .	7,330,796

939. 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 five years immediately preceding, and in 1895 it was \$253,119 less than in 1894. It must be remembered that the employment of cheques in settling accounts is con-