

38, compiled by the Dominion Comptroller of Currency, gives the form in which the gold has been held by the Government in recent years. The American gold, it will be seen, greatly preponderates, and there is a considerable additional amount held by the banks, as it is legal tender in both countries.

**Token Currency.**—Canadian silver dollars weighing 360 grains, 37-40 fine, are provided for by the Currency Act of 1910, but no dollar coins have ever been struck by the Mint. Fifty, twenty-five, ten and five-cent pieces of weight proportionate to their respective fractions of the dollar, and of the same fineness, are in circulation, but by chapter 9 of the Statutes of 1920 the standard of fineness was reduced to 8-10. In 1921 the coinage of a nickel five-cent piece weighing 70 grains was authorized and a number of these coins have appeared. Silver coins are legal tender only up to ten dollars, and bronze coins to twenty-five cents.

**Dominion Notes.**—An important part of the Canadian monetary system is the paper currency of the Dominion Government. Under the Dominion Notes Act, 1914 (5 Geo. V, c. 4), the Dominion Government is authorized to issue notes up to and including \$50,000,000 against a reserve in gold equal to one-quarter of that amount. By Chapter 4, Acts of 1915 "An Act respecting the issue of Dominion Notes" the Dominion Government is authorized to issue notes up to \$26,000,000 without any reserve of gold, \$16,000,000 of the notes to be against certain specified Canadian railway securities guaranteed by the Dominion Government.<sup>1</sup> Notes may be issued to any additional amount in excess of \$76,000,000, but (except as provided by the Finance Act, 1914), an amount of gold equal to the excess must be held. Thus Dominion notes are under normal conditions gold certificates. Under the Act, the Government issues notes of the denominations of 25 cents, \$1, \$2, \$4, \$5, \$50, \$100, \$500, \$1,000. In addition, "special" notes of the denominations of \$500, \$1,000, \$5,000 and \$50,000 (first issue September, 1918), are issued for use between

<sup>1</sup>The following is an outline of Canadian legislation respecting the issue of notes. After Confederation, by an Act of 1868 (31 Vict., c. 46), authority was given for the issue of notes to the extent of eight million dollars. The reserve was fixed at 20 p.c. up to a circulation of five millions; beyond that, 25 p.c. to be held as reserve. The law of 1870 (33 Vict., c. 10), authorized a limit of nine million dollars. The reserve was fixed at 20 p.c., but the nine millions were only to be issued when the specie amounted to two millions. Dollar for dollar was to be held beyond nine millions. In 1872 (35 Vict., c. 7), the reserve for the excess over nine millions was fixed at 35 p.c. in specie. This was amended in 1875 (38 Vict., c. 5), by requiring dollar for dollar beyond twelve millions; for the reserve between nine and twelve millions 50 p.c. in specie was to be held. In 1878 the law respecting Dominion notes was extended to the provinces of Prince Edward Island, British Columbia, and Manitoba. In 1880 (43 Vict., c. 13), the basis of the present standard was established. A reserve of 25 p.c. in gold and guaranteed debentures was required, of which 15 p.c. at least must be in gold. The limit was raised to twenty million dollars. In 1894 (57-58 Vict., c. 21), the limit was raised to twenty-five millions, but this was found unworkable and was repealed in 1895 (58-59 Vict., c. 16), and authority was given to issue notes to any amount over twenty millions, on holding dollar for dollar beyond that sum. In 1903 (3 Edw. VII, c. 43), the Minister of Finance was required to hold gold and guaranteed debentures of not less than 25 p.c. on Dominion notes issued and outstanding up to thirty million dollars; beyond thirty millions he was required to hold gold equal to the excess. In 1914 (5 Geo. V, c. 4), this amount was raised to fifty millions and in 1915, to seventy-six millions, under the conditions stated in the text. The Finance Act, 1914 (5 Geo. V, c. 3), makes provision, in case of war, panic, etc., for the issue of Dominion notes against approved securities.