

**Bank Notes.**—Bank notes form the chief circulating medium in use in Canada. Under the Canadian Bank Act, the banks are authorized to issue notes of the denominations of \$5 and multiples thereof to the amount of their paid-up capital. These notes are not in normal times legal tender.

In addition, during the period of the movement of the crops (Sept. 1 to Feb. 28-29), the banks may issue "excess" circulation to the amount of 15 p.c. of their combined capital and "rest or reserve" funds. In the event of war or panic, the Government may permit the "excess" to run all the year. The banks pay interest on the excess at 5 p.c. If a bank desires to extend its circulation, it may also do so by depositing dollar for dollar in gold or Dominion notes in the central gold reserves.

In case of insolvency, the notes of a bank are a first lien upon its assets. They are further secured, in case of insolvency, by the bank circulation redemption fund; to which all banks contribute on the basis of 5 p.c. of their average circulation, the sum thus secured being available for the redemption of the notes of failed banks.

The figures of bank note circulation are given in Table 46. Table 47 brings together the statistics of the quantity of circulating media in the hands of the general public, yearly averages being used where possible.

#### 46.—Statistics of Bank Note Circulation, 1892-1925.

NOTE.—The statistics in this table are averages computed from monthly returns in each year.

Years.	Paid up Capital.	"Rest" Fund.	Bank Circulation Redemption Fund <sup>1</sup> (Deposited with Minister of Finance).	Notes in Circulation.		
				Amount.	Per capita.	Index No. per capita <sup>2</sup>
	\$	\$	\$	\$	\$	
1892.....	61,626,311	24,511,709	1,314,240	33,788,679	6.91	79.0
1893.....	62,099,346	25,837,753	1,790,619	33,811,925	6.85	78.3
1894.....	62,063,371	27,041,235	1,817,511	31,166,003	6.37	72.8
1895.....	61,800,700	27,273,500	1,814,089	30,807,041	6.12	69.9
1896.....	62,043,173	26,526,632	1,831,191	31,456,297	6.18	70.6
1897.....	62,027,703	27,087,782	1,864,937	34,350,118	6.68	76.3
1898.....	62,571,920	27,627,520	1,938,660	37,873,934	7.28	83.2
1899.....	63,726,399	28,958,989	2,033,865	41,513,139	7.89	90.2
1900.....	65,154,594	32,372,394	2,221,128	46,574,780	8.75	100.0
1901.....	67,035,615	36,249,145	2,487,541	50,601,205	9.36	107.0
1902.....	69,869,670	40,212,943	2,832,401	55,412,598	10.02	114.5
1903.....	76,453,125	47,761,536	2,971,260	60,244,072	10.62	121.4
1904.....	79,234,191	52,082,335	3,237,891	61,769,888	10.60	121.1
1905.....	82,655,828	56,474,124	3,448,463	64,025,643	10.68	122.1
1906.....	91,035,604	64,002,266	3,923,531	70,638,870	11.44	130.7
1907.....	95,953,732	69,806,892	4,304,524	75,784,482	12.02	137.4
1908.....	96,147,526	72,041,265	4,249,367	71,401,697	11.00	125.7
1909.....	97,329,333	75,887,695	4,317,006	73,943,119	11.04	126.2
1910.....	98,787,929	79,970,346	4,844,475	82,120,303	11.87	135.7
1911.....	103,009,256	88,892,256	5,353,838	89,982,223	12.57	143.7
1912.....	112,730,943	102,090,476	6,211,881	100,146,541	13.60	155.4
1913.....	116,297,729	109,129,393	6,536,341	105,265,336	13.98	160.0
1914.....	114,759,807	113,130,626	6,693,684	104,600,185	13.60	155.4
1915.....	113,982,741	113,020,310	6,756,648	105,137,092	13.37	152.8
1916.....	113,175,353	112,989,541	6,811,213	126,691,913	15.77	180.2
1917.....	111,637,755	113,560,997	6,324,442	161,029,606	19.69	225.0
1918.....	110,618,504	114,041,500	5,817,646	198,645,254	23.85	272.6
1919.....	115,004,960	121,160,774	6,054,419	218,919,261	25.82	295.1
1920.....	123,617,120	128,756,690	6,122,715	228,800,379	26.51	303.0
1921.....	129,096,339	134,104,030	6,417,287	194,621,710	22.15	253.1
1922.....	125,456,485	129,627,270	6,493,593	166,466,109	18.62	212.8
1923.....	124,373,293	126,441,667	6,662,665	170,420,792	18.76	214.4
1924.....	122,409,504	123,841,666	6,347,378	166,136,765	18.00	205.7
1925.....	118,831,327	123,295,866	6,026,617	165,235,168	17.64	203.3

<sup>1</sup> This fund is in cash, i.e., gold or Dominion notes.

<sup>2</sup> Circulation per capita in 1900 is taken as 100.