

6.—Gold Held by the Minister of Finance, calendar years, 1919-32.<sup>1</sup>

Calendar Year.	Gold Reserve Held on Postal Savings Bank Deposits. <sup>2</sup>	Gold Held for Redemption of Dominion Notes.	Total Gold Held by Minister of Finance.
	\$	\$	\$
1919.....	4,000,675	118,489,802	123,399,367
1920.....	4,067,897	98,751,773	102,819,670
1921.....	3,666,009	84,568,064	88,234,073
1922.....	3,293,287	89,939,108	93,232,395
1923.....	3,154,358	120,651,627	123,806,985
1924.....	3,306,575	107,257,428	110,566,003
1925.....	3,241,490	119,744,819	122,986,309
1926.....	3,162,930	109,369,550	112,532,480
1927.....	3,083,440	107,417,631	110,501,071
1928.....	2,994,001	89,218,454	92,212,455
1929.....	2,709,160	59,345,233	63,054,402
1930.....	2,483,959	79,000,297	81,484,256
1931.....	2,405,030	74,209,510	76,614,540
1932.....	2,324,246	66,854,214	69,178,460

<sup>1</sup>Yearly averages. <sup>2</sup>In the Savings Bank Act (c. 15, R.S.C., 1927) it is provided that the Minister of Finance shall hold 10 p.c. gold reserve against postal savings bank deposits.

## 7.—Denominations of Dominion Notes in Circulation, Mar. 31, 1927-32.

Denomination.	1927.	1928.	1929.	1930.	1931.	1932.
	\$	\$	\$	\$	\$	\$
\$1.....	17,428,021	18,100,000	19,277,085	18,943,815	18,193,832	18,655,811
\$2.....	12,609,981	13,039,460	13,824,977	13,776,806	13,283,168	13,433,639
\$4.....	33,071	32,635	32,223	31,887	31,455	31,083
\$5.....	700,147	294,072	277,612	1,109,693	1,125,298	5,109,547
\$50.....	650	650	650	650	650	650
\$500.....	1,736,000	1,791,500	1,832,000	1,907,500	2,018,000	2,401,000
\$1,000.....	4,103,000	4,244,000	4,289,000	4,569,000	4,496,000	6,143,000
\$1,000 special.....	433,000	281,000	427,000	479,000	609,000	6,000
\$5,000 special.....	9,950,000	7,810,000	7,570,000	6,700,000	8,255,000	7,990,000
\$50,000 special.....	123,800,000	141,650,000	155,550,000	125,400,000	91,700,000	102,200,000
Fractional currency.....	1,346,145	1,360,549	1,392,463	1,380,648	1,326,251	1,299,856
Provincial notes.....	27,624	27,624	27,624	27,619	27,603	27,594
<b>Totals.....</b>	<b>172,167,639</b>	<b>198,631,490</b>	<b>204,593,633</b>	<b>174,328,618</b>	<b>141,066,257</b>	<b>157,388,189</b>

**Bank Notes.**—Bank notes form the chief circulating medium used in Canada. Under the 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 this 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. Notes are further secured, in case of insolvency, by the Bank Note Circulation Redemption Fund, to which all banks contribute 5 p.c. of their average circulation not covered by gold or Dominion notes deposited in the Central Gold Reserves established in 1913. The sum thus secured is available for the redemption of the notes of failed banks.