

## 4.—Circulation in Canada of Silver and Bronze Coin, Dec. 31, 1901-34—concluded.

Dec. 31—	Net Amounts of Silver Coin Issued. <sup>1</sup>		Amounts per head.		Net Amounts of Bronze Coin Issued. <sup>1</sup>		Amounts per head.	
	A. During the Year.	B. Since 1858.	Col. A.	Col. B.	C. During the Year.	D. Since 1858.	Col. C.	Col. D.
	\$	\$	cts.	\$	\$	\$	cts.	cts.
1916.....	1,179,516	19,768,089	14·7	2·47	110,646	1,323,234	1·4	16·5
1917.....	1,790,941	21,559,030	22·2	2·68	116,800	1,440,634	1·4	17·9
1918.....	2,329,091	23,888,121	28·6	2·93	131,777	1,571,811	1·6	19·3
1919.....	3,196,027	27,084,148	38·5	3·26	115,011	1,686,822	1·4	20·3
1920.....	1,300,702	28,384,850	15·2	3·32	208,961	1,895,783	2·4	22·2
1921.....	40,191	28,344,659	0·5	3·22	60,543	1,956,326	0·7	22·2
1922.....	-193,215	28,151,444	-2·2	3·16	11,742	1,968,068	0·1	22·1
1923.....	-99,097	28,052,347	-1·1	3·11	19,118	1,987,186	0·2	22·1
1924.....	-188,845	27,863,502	-2·1	3·05	11,430	1,998,616	0·1	21·9
1925.....	-150,483	27,713,019	-1·6	2·98	21,854	2,020,470	0·2	21·7
1926.....	-279,556	27,433,463	-3·0	2·90	23,363	2,043,833	0·2	21·6
1927.....	-323,929	27,104,534	-3·4	2·81	36,363	2,080,196	0·4	21·6
1928.....	633,429	27,737,963	6·4	2·82	91,461	2,171,657	0·9	22·1
1929.....	900,232	28,638,195	9·0	2·86	119,132	2,290,789	1·2	22·8
1930.....	-75,865	28,562,330	-0·7	2·80	6,616	2,297,405	0·1	22·5
1931.....	144,018	28,706,348	1·4	2·77	48,649	2,346,054	0·5	22·6
1932.....	147,392	28,853,740	1·4	2·75	212,908	2,558,962	2·0	24·4
1933.....	-323,400	28,530,340	-3·0	2·67	119,340	2,678,302	1·1	25·0
1934.....	172,300	28,702,640	1·6	2·65	66,994	2,745,296	0·6	25·3

<sup>1</sup> These figures of net amounts of coin issued show the values issued less the values withdrawn and to this extent do not correspond with the figures shown in Table 2.

**Dominion Notes.**—Prior to the taking over of the note issue by the Bank of Canada when it opened on Mar. 11, 1935, Dominion notes were issued under any one of three statutory authorities: (1) the Dominion Notes Act (Statutes of 1934, c. 34), which required a gold reserve of 25 p.c. to be held against the first \$120,000,000 of notes issued and full gold coverage against any issue in excess of \$120,000,000; (2) the Finance Act (R.S.C. 1927, c. 70), Part II of which authorized the Minister of Finance to advance to any chartered bank or to the savings banks of Quebec, Dominion notes to any amount on the pledge of approved securities deposited with the Minister. These advances bore interest and no gold coverage was required to be held on Dominion notes so advanced; (3) Chap. 4 of the Statutes of 1915, authorizing the Government to issue Dominion notes to the amount of \$26,000,000 without gold coverage, but partly covered by the deposit of \$16,000,000 of railway securities guaranteed by the Dominion Government.\*

\* 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 1876 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 was to 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. The Dominion Notes Act of 1914 (5 Geo. V, c. 4), passed in the short war session of August, 1914, provided that a gold reserve of not less than 25 p.c. should be held against issues of Dominion notes up to \$50,000,000 and dollar for dollar against the excess. In 1934, it was provided that a gold reserve of 25 p.c. be held against issues of Dominion notes up to \$120,000,000 and dollar for dollar against the excess. In the session of 1914, the Government was given power, by 5 Geo. V, c. 3, "in case of war, invasion, riot or insurrection, real or apprehended, and in case of any real or apprehended financial crisis", by proclamation to authorize the issue of Dominion notes to the chartered banks upon their pledge of approved securities deposited with the Minister of Finance. This was made a regular and permanent feature of the system by c. 48 of the Statutes of 1923, consolidated as c. 70, R.S.C., 1927, as stated above.