

**6.—Gold Held by the Minister of Finance and Dominion Notes in Circulation, calendar years 1919-34.<sup>1</sup>**

Calendar Year.	Dominion Notes in Circulation.	Gold Held for Redemption of Dominion Notes.	Gold Reserve Held on Postal Savings Bank Deposits. <sup>2</sup>	Total Gold Held by Minister of Finance.
	\$	\$	\$	\$
1919.....	308,006,768	118,489,692	4,909,675	123,399,367
1920.....	305,806,287	98,751,773	4,067,897	102,819,670
1921.....	271,531,162	84,568,064	3,666,009	88,234,073
1922.....	240,429,548	89,939,108	3,293,287	93,232,395
1923.....	240,862,014	120,651,627	3,154,358	123,805,985
1924.....	226,002,628	107,257,428	3,308,575	110,566,003
1925.....	212,681,059	119,744,819	3,241,490	122,986,309
1926.....	190,004,824	109,369,550	3,162,930	112,532,480
1927.....	184,898,003	107,417,631	3,083,440	110,501,071
1928.....	201,171,816	89,218,454	2,994,001	92,212,455
1929.....	204,381,409	59,345,233	2,709,169	62,054,402
1930.....	174,616,019	79,000,297	2,483,959	81,484,256
1931.....	153,079,362	74,209,510	2,405,030	76,614,540
1932.....	165,878,510	66,854,214	2,324,246	69,178,460
1933.....	179,217,446	69,793,861	2,311,866	72,105,727
1934.....	190,261,981	70,249,952	2,257,367	72,507,319

<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, as at Mar. 31, 1929-34.**

Denomination.	1929.	1930.	1931.	1932.	1933.	1934.
	\$	\$	\$	\$	\$	\$
\$1.....	19,277,085	18,943,815	18,193,832	18,655,811	17,937,899	18,968,653
\$2.....	13,825,560 <sup>1</sup>	13,776,806	12,283,168	13,433,639	12,427,570	13,072,254
\$4.....	32,223	31,887	31,455	31,083	30,748	30,336
\$5.....	277,612	1,109,693	1,125,298	5,109,547	5,220,280	5,023,835
\$50.....	650	650	650	650	650	650
\$500.....	1,832,000	1,907,500	2,018,000	2,491,000	3,066,500	2,702,500
\$1,000.....	4,289,000	4,569,000	4,496,000	6,143,000	7,928,000	6,546,000
\$1,000 special.....	427,000	479,000	609,000	6,000	1,000	1,000
\$5,000 special.....	7,570,000	6,700,000	8,255,000	7,990,000	8,510,000	8,760,000
\$50,000 special.....	155,550,000	125,400,000	91,700,000	102,200,000	124,500,000	116,200,000
Fractional currency.....	1,392,463	1,380,648	1,326,251	1,299,856	1,276,646	1,285,107
Provincial notes.....	27,624	27,619	27,603	27,594	27,589	27,587
<b>Totals.....</b>	<b>204,501,217<sup>1</sup></b>	<b>174,326,618</b>	<b>141,066,257</b>	<b>157,388,180</b>	<b>180,926,882</b>	<b>172,617,922</b>

<sup>1</sup>Revised since the publication of the 1933 Year Book.

**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. See pp. 962-963 for 1934 revision of Bank Act, outlining gradual reduction in note issue of chartered banks.

In addition, during the period of the movement of the crops (Sept. 1 to Feb. 28-29), the banks were permitted to 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 might permit the "excess" to run all the year. The banks paid interest on this excess at 5 p.c. If a bank desired to extend its circulation, it might also do so by depositing dollar for dollar in gold or Dominion notes in the Central Gold Reserves. These issues of bank notes are no longer allowed since the establishment of the Bank of Canada.

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