

### 5.—Denominations of Dominion or Bank of Canada Notes in Circulation, 1926, 1929, 1932, and 1934-36.

NOTE.—Annual averages of month-end figures.

Denomination.	1926.	1929.	1932.	1934.	1935.	1936.
	\$	\$	\$	\$	\$	\$
Provincial.....	27,624	27,621	27,594	27,586	27,584	27,583
Fractional.....	1,330,663	1,380,710	1,287,544	1,281,765	1,253,376	1,173,630
\$ 1.....	17,732,100	20,032,308	18,957,935	19,677,790	21,073,894	21,896,929
2.....	12,925,212	14,609,088	13,346,323	13,517,124	14,457,105	14,994,532
4.....	33,397	32,138	31,004	30,201	29,861	29,608
Totals.....	32,048,996	36,081,865	33,650,400	34,534,466	36,841,820	38,122,282
\$ 5.....	626,179	730,101	5,137,627	4,884,657	11,718,950	14,264,286
10.....				-	11,074,430	23,517,545
20.....				-	3,503,082	7,962,389
25.....					115,810	93,839
50.....	650	650	650	650	1,094,821	2,801,183
100.....					1,443,950	3,671,616
500.....	1,875,917	1,811,875	2,530,833	2,697,125	21,073,894	2,416,917
1,000.....	3,799,250	4,168,917	6,437,583	6,828,667	11,585,083	12,414,166
Totals.....	6,301,996	6,711,543	14,106,693	14,411,099	61,610,020	67,141,941
Specials—						
\$1,000.....	671,333	407,667	3,500	1,000	1,000	1,000
5,000.....	16,307,500	7,209,583	8,063,750	9,019,583	2,065,833	10,000
50,000.....	134,675,000	153,970,834	110,054,167	132,295,833	26,816,667	
Totals, Specials.	151,653,833	161,588,084	118,121,417	141,316,416	28,883,500	11,000
Grand Totals...	190,004,825	204,381,492	165,878,510	190,261,981	127,335,340	105,275,223

### Subsection 3.—Chartered Bank Notes.

By reference to the historical outline at the beginning of this chapter, the developments may be traced by which bank notes became the chief circulating medium in Canada in the period preceding the establishment of the Bank of Canada. The main steps of this development which remained as permanent features of the system are assembled and emphasized here. By the Bank Act of 1870 (later consolidated with the general Bank Act of 1871), the note issue of a bank was not to exceed its paid-up capital, no bank notes were to be issued under \$4 in value (later changed to \$5 and multiples thereof), and, while the banks were allowed to use their own discretion regarding the amount of their cash reserves, it was stipulated that at least one-third (later increased to 40 p.c.) of such cash reserves as they chose to carry should consist of Dominion notes. In the revision of 1880, a note-holder was definitely recognized as a preferred creditor. The Bank Act of 1890 provided for the Bank Note Circulation Redemption Fund, made up by each bank depositing with the Minister of Finance an amount equal to 5 p.c. of its note circulation. As a result of the operation of this fund and of making notes a prior lien against the assets of