

There has been little change in the circulation of denominations of notes under \$5. In the denominations from \$5 to \$1,000, where Bank of Canada notes have partially replaced chartered bank notes or Dominion notes, there has been a large increase. On the other hand, the special Dominion notes in denominations from \$1,000 to \$50,000 which were used almost exclusively for inter-bank transactions or bank reserves, are no longer in use.

4.—Denominations of Dominion or Bank of Canada Notes in Circulation, 1926, 1929, 1932 and 1939-41

NOTE.—Annual averages of month-end figures. The totals outstanding are not always multiples of the denominations of notes because of adjustments made according to scale when parts of mutilated notes are turned in for cancellation.

Denomination	1926	1929	1932	1939	1940	1941
	\$	\$	\$	\$	\$	\$
Provincial.....	27,624	27,621	27,594	27,576	27,576	27,576
Fractional.....	1,330,663	1,380,710	1,287,544	1,112,857	1,105,776	1,099,331
\$1.....	17,732,100	20,032,308	18,957,935	24,675,157	27,304,106	30,792,746
\$2.....	12,925,212	14,609,088	13,346,323	16,292,040	18,373,006	21,295,427
\$4.....	33,397	32,138	31,004	29,204	29,076	28,974
Totals.....	32,048,996	36,081,865	33,650,400	42,136,834	46,839,540	53,244,054
\$5.....	626,179	730,101	5,137,627	27,651,343	42,516,130	62,046,710
\$10.....	Nil	Nil	Nil	57,562,141	99,364,158	163,104,979
\$20.....	"	"	"	24,325,035	40,399,748	65,470,362
\$25.....	"	"	"	57,654	51,921	48,092
\$50.....	650	650	650	6,991,237	11,736,987	17,527,954
\$100.....	Nil	Nil	Nil	10,518,633	18,739,487	26,198,383
\$500.....	1,875,917	1,811,875	2,530,833	967,292	779,667	684,625
\$1,000.....	3,799,250	4,168,917	6,437,583	14,683,750	16,656,667	18,097,250
Totals.....	6,301,996	6,711,543	14,106,693	142,757,085	230,244,765	353,178,355
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	10,000	10,000	10,000
\$50,000.....	134,675,000	153,970,834	110,054,167	Nil	Nil	Nil
Totals, Specials.	151,653,833	161,588,084	118,121,417	11,000	11,000	11,000
Grand Totals..	190,004,825	204,381,492	165,878,510	184,904,919	277,095,305	406,433,409

Subsection 3.—Chartered Bank Notes

The developments by which bank notes became the chief circulating medium in Canada in the period preceding the establishment of the Bank of Canada are described in the historical outline referred to at the beginning of this chapter. The main steps of this development that remained as permanent features of the system are outlined at pp. 809-810 of the 1941 Year Book.

The provisions regarding bank notes were materially changed with the establishment of the Bank of Canada under the Bank Act (c. 24) of 1934. The authority for both seasonal expansion and additional issue secured by deposit in the Central Gold Reserves was then terminated. Provision was made for a gradual reduction in bank-note circulation over a period of years as explained at p. 808. As a result of these changes, current data on bank-note circulation are not comparable with those of earlier years. However, statistics of total notes in the hands of the general public are comparable. This public circulation includes chartered bank notes together with Dominion notes and Bank of Canada notes, exclusive of those held by the banks as reserves. Statistics on this basis are shown in Table 5.