

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 at pp. 900-905 of the 1938 Year Book. 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. 30) of 1944. 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. 958. 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 or Bank of Canada notes, exclusive of those held by the banks as reserves. Statistics on this basis are shown in Table 5.

5.—Annual Averages of Note Circulation in the Hands of the Public, 1926-45

NOTE.—Figures of circulating media in the hands of the general public for the years 1900-35 appear at p. 900 of the 1936 Year Book.

Year	Averages of Month-End Figures			Averages of Daily Figures of Total	
	Chartered Bank Notes ¹	Dominion or Bank of Canada Notes ²	Total	Amount ³	Per Capita ⁴
	\$	\$	\$	\$	\$
1926.....	153,931,898	26,314,706	180,246,604	195,000,000	20-63
1927.....	156,254,231	27,793,500	184,047,731	198,000,000	20-55
1928.....	160,209,051	28,803,340	189,012,391	204,000,000	20-74
1929.....	161,483,696	30,003,870	191,487,566	205,000,000	20-44
1930.....	144,178,819	28,812,059	172,990,878	185,000,000	18-12
1931.....	128,881,241	28,572,011	157,453,252	167,000,000	16-09
1932.....	120,918,577	28,483,686	149,402,263	158,000,000	15-03
1933.....	120,624,661	29,066,051	149,690,712	157,000,000	14-77
1934.....	125,119,382	30,547,720	155,667,102	163,000,000	15-18
1935.....	118,512,334	47,288,651	165,800,985	169,000,000	15-58
1936.....	112,914,641	66,934,958	179,849,599	182,000,000	16-62
1937.....	104,211,037	94,876,384	199,087,421	200,000,000	18-11
1938.....	93,978,355	109,748,030	203,726,385	205,000,000	18-38
1939.....	88,820,636	129,261,655	218,082,291	216,000,000	19-17
1940.....	87,194,399	206,916,964	294,111,363	287,000,000	25-22
1941.....	78,761,049	320,037,329	398,798,378	386,000,000	33-54
1942.....	69,502,871	472,011,416	541,514,287	523,000,000	44-88
1943.....	49,082,172	669,998,231	710,080,403	688,000,000	58-25
1944.....	37,056,187 ⁵	821,330,660	858,386,847	835,000,000	69-73
1945.....	28,636,174 ⁵	940,911,000	969,547,174	951,000,000	78-47

¹ Gross note circulation of chartered banks less notes of other chartered banks.

² Total issue

less notes held by chartered banks and notes deposited in the Central Gold Reserves up to March, 1935.

³ Figures, to nearest million, supplied by the Bank of Canada.

⁴ Figures based on estimates of population as given at p. 127.

⁵ Gross note circulation only; notes of other chartered banks not available.