

gold-mining industry in Canada has resulted in gold-refining becoming one of the principal activities of the Mint. Most of the fine gold produced from the rough shipments from the mines is delivered to the Department of Finance (since Mar. 11, 1935, the Bank of Canada has acted as agent for the Government) in the form of bars of approximately 400 fine oz. each, the rest being sold in a convenient form to manufacturers. The fine silver extracted from the rough gold, when not required for coinage, is sold in New York or disposed of to local manufacturing firms.

An account of the organization and operational methods of the Royal Canadian Mint is given at pp. 888-892 of the 1940 Year Book.

4.—Annual Receipts of Gold Bullion at the Royal Canadian Mint, and Bullion and Coinage Issued, 1937-46

NOTE.—Although not presented in exactly the same form, figures for 1901-16 are given at pp. 857-858 of the 1927-28 Year Book; for 1917-25 at p. 894 of the 1936 edition. Comparable figures to those shown below for 1926-36 are given at p. 957 of the 1946 edition.

Year	Gold Received	Gold Bullion Issued	Silver Coin Issued	Nickel Coin Issued	Steel Coin Issued	'Tombac' Coin Issued	Bronze Coin Issued
	fine oz.	fine oz.	\$	\$	\$	\$	\$
1937.....	3,933,453	3,937,911	1,322,200	251,100	—	—	105,400
1938.....	4,398,258	4,308,067	1,376,000	153,500	—	—	184,300
1939.....	4,869,239	4,834,214	2,794,032	321,000	—	—	214,600
1940.....	4,990,847	5,026,793	4,845,000	660,500	—	—	322,800
1941.....	5,092,609	5,134,348	3,534,000	454,000	—	—	575,300
1942.....	4,611,982	4,611,892	3,764,000	361,576	—	169,424	783,500
1943.....	3,616,959	3,645,740	7,044,000	Nil	—	1,238,000	881,300
1944.....	2,862,048	2,829,755	4,006,000	"	571,000	400	454,600
1945.....	2,503,416	2,499,163	3,416,300	"	950,300	Nil	748,500
1946.....	2,652,245	2,665,964	1,701,000	291,500	—	"	528,500

Subsection 2.—Canadian Note Circulation

Dominion Notes.—Dominion notes became established in 1868 and the legislation by which the issue was expanded with the growth of the population is given at p. 952 of the 1934-35 Year Book. A summary of the main features of the former Dominion note issue is given at p. 893 of the 1940 edition.

Bank of Canada Notes.—The Bank of Canada, when it commenced operations, assumed the liability for Dominion notes outstanding, which were replaced in public circulation, and partly replaced as cash reserves, by its own legal-tender notes in denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100 and \$1,000. Deposits of chartered banks at the Bank of Canada completed the replacement of Dominion notes as cash reserves.

The chartered banks were required under the Bank Act of 1934 to reduce the issue of their own bank notes gradually during the years 1935-45 to an amount not in excess of 25 p.c. of their paid-up capital on Mar. 11, 1935. Bank of Canada notes thus replaced chartered bank notes as the issue of the latter was reduced.

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.