

of deposits as a component of the money supply was less in 1946 than at the beginning of the period. The relative position was 85.2 p.c. in 1946 against 91.3 p.c. in 1938, the marked gain in the circulation of bank notes largely accounting for the drop.

**7.—Money Supply, Month-End Averages, 1919-46**

Year	Total Notes in Hands of Public	Subsidiary Coin in Hands of Public	Sum of Deposits <sup>1</sup>	Money Supply
	\$'000,000	\$'000,000	\$'000,000	\$'000,000
1919.....	217.0	22.97	1,950.7	2,191
1920.....	214.2	24.48	2,102.9	2,342
1921.....	171.2	24.50	1,979.5	2,175
1922.....	151.7	24.39	1,806.9	1,983
1923.....	160.1	24.43	1,805.3	1,990
1924.....	179.0	24.33	1,798.1	2,001
1925.....	175.8	24.33	1,859.1	2,059
1926.....	180.2	24.24	1,946.8	2,151
1927.....	184.0	24.20	2,066.1	2,274
1928.....	189.0	25.17	2,238.1	2,452
1929.....	191.5	26.46	2,278.6	2,497
1930.....	173.0	26.55	2,126.2	2,326
1931.....	157.5	27.03	2,089.9	2,274
1932.....	149.4	27.55	1,944.3	2,121
1933.....	149.7	27.47	1,929.0	2,106
1934.....	155.7	27.90	1,952.6	2,136
1935.....	165.8	27.87	2,094.9	2,289
1936.....	179.8	28.20	2,235.2	2,433
1937.....	199.1	29.47	2,380.4	2,609
1938.....	203.7	29.38	2,438.7	2,672
1939.....	218.1	31.44	2,626.7	2,876
1940.....	294.1	35.44	2,800.0	3,130
1941.....	398.8	39.33	3,089.0	3,527
1942.....	541.5	44.40	3,400.4	3,986
1943.....	710.1	51.67	4,075.3	4,837
1944.....	858.4	56.90	4,773.4	5,689
1945.....	969.5	60.94	5,481.9	6,512
1946.....	1,004.9	63.12	6,142.0	7,210

<sup>1</sup> These figures do not agree with those in Table 9 as the latter include Federal Government and other deposits in the Bank of Canada.

**Section 4.—Monetary Reserves**

**Subsection 1.—Bank of Canada Reserves**

The composition of Canadian gold reserves held by the Government is presented in the 1936 edition of the Year Book, at p. 895, for the years 1905 to 1934. Since March, 1935, the gold reserves have been held by the Bank of Canada. By authority of the Exchange Fund Act (c. 60, 1935), effective in July, 1935, they are valued at the prevailing current market price of gold. The new data are now to be found under the item "Reserves" in the "Assets" section of Table 1, p. 1017. As explained in footnote 2 of that table, under the Exchange Fund Order of Apr. 30, 1940, the gold reserves of the Bank of Canada were transferred to the Foreign Exchange Control Board and the requirement that the Bank should maintain a reserve of gold equal to not less than 25 p.c. of its total note and deposit liabilities in Canada was temporarily suspended.

**Subsection 2.—Chartered Bank Canadian Cash Reserves**

**Before the Establishment of the Bank of Canada.**—Up to March, 1935, legal tender cash reserves in Canada were made up partly of Dominion notes; partly of gold coin and bullion, and subsidiary coin, including these forms of cash