

5° No dividends or bonus exceeding 8 per cent. per annum shall be paid by any bank, unless, after deducting all bad and doubtful debts, it has a reserve fund equal to at least thirty per cent. of its paid-up capital. Limit to dividend.

6° Every bank shall, subject to a penalty of \$500 for each violation, hold not less than forty per cent. of its cash reserve in Dominion notes. Proportion of cash in Dominion notes.

7° The amount of notes of any bank in circulation at any time shall not exceed the amount of its unimpaired capital, subject to penalties varying with the amount of such excess. Notes in circulation

8° The payment of notes issued by any bank for circulation shall be the first charge on its assets in case of insolvency, any amount due to the Dominion Government shall be the second charge, and any amount due to any Provincial Government shall be the third charge. Notes to be a first charge.

9° Every bank shall pay to the Minister of Finance a sum equal to five per cent. of the average amount of its notes in circulation, such sum to be annually adjusted according to the average amount of circulation during the preceding 12 months. Such amounts are to form a fund called the "The Bank Circulation Redemption Fund" to be used when necessary, on the suspension of any bank, for the payment of the notes issued and in circulation, and interest. All notes in circulation shall bear interest at 6 per cent. per annum from the day of suspension until redeemed. Payments from the fund are to be without regard to the amount contributed. Bank Circulation Redemption Fund.

10° All notes issued for circulation shall be payable at par throughout Canada.\* Notes payable at par.

11° Any bank when making payment, is compelled, if requested, to pay the same, or part thereof, not exceeding one hundred dollars, in Dominion notes, for \$1, \$2 or \$4 each. Part payment to be in Dominion notes.

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\*Previous to this provision, a discount has been charged in Ontario and Quebec on all Nova Scotia, New Brunswick and Prince Edward Island notes, and in British Columbia on all notes of Eastern Banks.