

demanding, to be withdrawn from the country. During the rebellion in 1838, the lower Canadian banks placed their specie in the Citadel at Quebec, and a law was passed relieving them from loss of charter for repudiation of notes, which continued to be legal tender. With two exceptions all the banks, prior to 1841, had the limited liability clause. In 1841, in the first session of Parliament after the Union, the Committee on Banking reported thirteen resolutions on which to found a uniform system of banking. The double liability clause was then introduced. The Banking Act of 1841 imposed a tax of 1 per cent upon the bank circulation. In 1850 a new Act was passed prohibiting any banks other than those incorporated by Act of Parliament or by Royal Charter from issuing notes. The tax on bank circulation was abolished, and instead thereof a deposit with the Government of provincial debentures to the extent of \$100,000 was required. According to a plan fixed by the Legislature, bank statistics, to be monthly forwarded to the Government, were required in that year. In the Banking Act of 1871 it was provided that banks should not issue notes of a less denomination than \$4, and that they should hold, as far as practicable, one-half their cash reserve in Dominion notes, and never less than one-third. Business could not be engaged in until \$500,000 of stock had been subscribed, \$100,000 paid up in cash, and a certificate to that effect procured from the Government Treasury Board. The amount of notes in circulation was not to exceed the amount of unimpaired capital. No dividend was to be paid that impaired paid-up capital, and no division of profits greater than 8 per cent per annum could be paid, unless after paying the same, the bank had a reserve fund equal to one-fifth of its paid-up capital. In the Act of 1881 it was provided that banks could not issue notes of less than \$5, and that all notes of less than \$5 then outstanding should be called in and cancelled as soon as practicable. It was also provided that the notes of the banks should be a first lien upon the assets. The minimum of reserves to be held in Dominion notes was 40 per cent. The unauthorized use of the title of "bank, banking company, &c.," without the addition of "not incorporated," was made a misdemeanour. The exchange of warehouse receipts for bills of lading, and vice versa, was permitted, in order to facilitate the marketing of the goods.