

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.

1089. The number of chartered banks in the Dominion on 30th June, 1894, was 38. The development of banking business in Canada is seen from the following statement:—

YEAR.	Capital Paid up per head of Population.	Circulation per head.	People's Deposits per head.	People's Discounts per head.	Liabilities.	Assets.
1871.....	\$10·30	\$5·75	\$15·40	\$23·33	\$22·07	\$34·46
1881.....	13·76	6·60	21·81	27·04	29·40	46·38
1891.....	12·56	6·54	30·70	35·40	38·75	55·72

In addition to the capital paid up in 1891, the reserve or rest fund of the banks in that year amounted to \$4.72 per head of the population.

1090. The first chartered bank to suspend business since Confederation (1867) was the Commercial Bank of New Brunswick. The Bank of Acadia (Liverpool, N.S.) suspended in 1873; the Metropolitan Bank of Montreal in 1877; the Mechanics' Bank of Montreal, the Consolidated Bank of Montreal, the Bank of Liverpool, N.S., and the Stadacona Bank of Quebec, in 1879; the Exchange Bank of Canada in 1883; the Maritime Bank of St. John, N.B., the Pictou Bank, the Bank of London, Ont., and the Central Bank of Canada retired from business in 1887, and the Federal Bank in 1888; the Commercial Bank of Manitoba closed its doors in 1893. In all 14 banks have suspended, representing assets of over \$22,000,000 and liabilities of over \$15,000,000. Of the suspended banks 11 have redeemed their notes in full, one paid 57½ per cent, and two are not yet reported. Eight paid their deposits in full; one (the Mechanics') paid 57½ per cent, one (the Exchange) paid 64 per cent, exclusive of final dividend, and one paid 86⅔ per cent.

The Commercial Bank of Manitoba closed its doors during the first week of July, 1893. The notes of the bank in circulation increased 30 per cent over the amount given in the last previous bank statement. This increase was caused by depositors withdrawing their deposits and taking notes of the bank in payment. They did this because, under the Banking Act, claims are to be met in the following order: 1st. Redemption of notes in