

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.

12. Penalties are provided for placing anything in the shape of an advertisement on a note, and for issuing advertisements in the form of notes.

13. No bank may lend money on its own shares or on those of any other bank, or upon mortgage of real estate, or on the security of any goods, wares or merchandise, except as collateral security.

14. Except as required for its own use, no bank shall hold any real estate for a longer period than seven years.

15. Any rate of interest may be charged and allowed, but not more than 7 per cent can be recoverable.

16. Monthly returns signed by the chief accountant, the acting president and the manager, shall be made to the Minister of Finance within the first fifteen days of each month, subject to a penalty of \$50 for each day's delay, such returns to be made in the form provided in the Act. Special returns may be required by the Government at any time. All Government cheques are payable at par.

17. No person may use the title of "bank," "banking company," "banking house," "banking association" or "banking institution," unless authorized by this or some other Act of Parliament.

1092. The changes in the general features of the Banking Act, consequent upon its revision by Parliament in the session of 1890, are intended to operate to the advantage of the public in two directions: (a) by securing to the holders, at all times and in all parts of the Dominion, the face value of all notes of all banks of Canada, whether solvent or insolvent; (b) by securing solidity in our banking institutions by compelling associations seeking bank charters to have, before they can obtain a charter, a capital of at least \$250,000 paid up and deposited with the Government. In the case of solvent banks, a uniform face value is secured through mutual agreement. In the case of insolvent banks, the notes are to be redeemed by means of a fund called the "Bank Circulation Redemption Fund," obtained by the deposit (drawing 3 per cent interest) of 5 per cent of the average bank note circulation with the Government. From this the insolvent banks pay their notes with 6 per cent interest until notice of liquidation is published.

The amount held in trust by the Dominion Government for the Bank Circulation Redemption Fund on the 30th June, 1893, was \$1,814,572, and on 30th June, 1894, it was \$1,871,408, an increase in the twelve months of \$56,836. No payments were made from this fund during the year.

1093. Of the thirty-eight banks making returns to the Government on 1st January, 1894, ten had headquarters in Ontario, fourteen in Quebec, eight in Nova Scotia, three in New Brunswick, two in Prince Edward Island, and one in British Columbia.

1094. The feature of banking in Canada is the branches. Mr. Walker, General Manager of the Canadian Bank of Commerce, in a brochure on the Canadian system of banking, remarks: "In a country where the money accumulated each year by the people's savings does not exceed the money required for new business ventures, it is plain that the system of banking