

An Act to provide for the issue of Provincial Notes.

WHEREAS it is expedient to provide for the issue of Provincial Notes: Therefore, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows:

5 **1.** The Governor in Council may authorize the issue of Provincial Notes, payable on demand, of such denominational values and in such form, and signed by such persons and in such manner by lithograph printing or otherwise, as he may, from time to time, direct, to an amount not exceeding
10 in the whole five millions of dollars, except as hereinafter provided; such Notes shall be redeemable in specie, on presentation at offices to be established at Montreal and Toronto, and at that one of the said places at which they may be respectively made payable, and shall be a legal tender.
15 except at the offices aforesaid

2. The Governor in Council may enter into arrangements with all or any of the Chartered Banks of this Province for the surrender, on or before the first day of January, one thousand eight hundred and sixty-eight, of their power to issue notes;—and in
20 compensation for such surrender, an annual sum not exceeding five per cent upon the amount of its circulation as established by the monthly return upon the thirtieth day of April, one thousand eight hundred and sixty-six, shall be payable by the Province to each Bank so surrendering its power of issue and
25 redeeming its notes in circulation, until the expiration of its charter; and the Receiver General shall receive the Provincial Debentures now held by such Banks in compliance with the requirements of their respective charters, in exchange for Provincial Notes; and shall also pay to such Banks one half the
30 estimated cost of their unissued notes.

3. In entering into any such arrangement as aforesaid with any Bank, the Governor in Council may provide either for the immediate or the gradual surrender of its power to issue notes, such gradual surrender not extending over a period of more
35 than twelve months; but in such case the exchange of Provincial Notes for Provincial Debentures held by the Bank under the requirements of its charter, shall be made only in equal proportion to the amount of its notes actually redeemed and withdrawn from circulation, as shewn by the monthly returns.