

power to issue notes, extending in the latter case, over a period not exceeding twelve months. But in case of such gradual surrender the exchange of Provincial notes for Provincial Debentures, held under its existing Charter, shall be made to such Bank only in equal proportion to the amount of notes actually redeemed, as shewn by the monthly returns.

4. From the date of any such agreement with any Bank, it shall not be required to hold any Provincial Debentures as now provided by law.

5. Every Bank surrendering its power to issue notes, shall make a weekly return of its notes redeemed and of those still outstanding. The compensation above authorized shall be paid half yearly upon the amount redeemed, computing the same from the average of the weekly returns for the half-year, until the amount so redeemed shall equal 9-10ths of its circulation as at 30th April last, when it shall be entitled to receive compensation upon the full amount.

6. It shall be lawful for the Governor in Council, over and above the five millions hereinbefore authorized, and the amount necessary to redeem the Debentures held by the Banks surrendering their circulation, to cause Provincial notes to be issued to the amount of their notes withdrawn from circulation, and also to make a further issue to any Chartered Bank in this Province, from time to time, upon its requisition, and upon payment for the same. Provided that the total amount issued does not exceed Eight Millions.

7. The sum in specie to be held for the redemption of the Provincial notes shall be twenty per cent. upon the amount outstanding, so long as the whole amount in circulation does not exceed Five millions. For any additional amount of notes in circulation beyond Five millions, twenty-five per cent. shall be held in specie; and for any excess over Ten millions, but not exceeding Fifteen millions, thirty-three and one-third per cent.; and for any excess over Fifteen millions, fifty per cent. on such excess, shall be held in specie. But Provincial Debentures shall be issued against the Provincial notes, to the full extent by which the specie held in reserve fails to cover the whole amount of notes in circulation.

8. A return of the whole amount of Provincial notes in circulation, and of the specie held for their redemption, shall be made to the Audit office on each alternate Wednesday, which shall be published by the Auditor, in the *Canada Gazette*.

9. It shall be lawful for the Governor General to establish branches for the Receiver General's Department in *Montreal* and *Toronto*, for the issue and redemption of the Provincial notes; or he may make arrangements with any Chartered Bank or Banks for the issue and redemption of the notes, allowing a commission not exceeding one quarter per cent. upon the average circulation of every three months.

10. It shall be lawful for any Bank which may have surrendered its power to issue notes, to resume the same, according to the provisions of its charter, upon giving not less than three months' notice in writing to the Receiver General, and publishing such notice in the *Official Gazette*. Provided always, that such Bank, so resuming its power to issue notes, shall cease, from the expiration of such notice, to receive compensation, and shall be bound to repay to the Receiver General the Provincial notes received by it in exchange for Provincial Debentures; such Debentures to be again delivered to and held by such Bank, as provided in its charter, before it shall be lawful for such Bank to resume the issue of notes.

11. The proceeds of the said Provincial notes shall form part of the Consolidated Fund of this Province, and the expenses lawfully incurred under the foregoing provisions shall be charged upon and paid out of the said fund.

The said Resolutions, being read a second time, were agreed to.

The Honorable Mr. *Galt* moved, seconded by the Honorable Mr. Attorney General *Macdonald*, and the Question being put, That leave be given to bring in a Bill to provide for the issue of Provincial notes; the House divided:—And it was resolved in the Affirmative.

The Honorable Mr. *Galt* accordingly brought in the said Bill, and the same was received and read for the first time; and ordered to be read a second time, at the next sitting of this House.

The Honorable Mr. *McDougall*, one of Her Majesty's Executive Council, presented, pursuant to Addresses to His Excellency the Governor General,—