

make the total amount so paid by each bank to be a sum equal to five per cent. of the average amount of its notes in circulation during the twelve months next preceding the date last mentioned,—which sum shall be adjusted annually, as hereinafter provided :

As to Merchants' Bank of P. E. I.

2. The Merchants' Bank of Prince Edward Island shall, on or before the day upon which it becomes subject to the provisions of this Act, pay to the Minister of Finance and Receiver-General such sum as appears to the satisfaction of the Treasury Board to be equal to two and one-half per cent. of the average amount of its notes in circulation during the then preceding twelve months, and shall further pay to the Minister of Finance and Receiver-General, within fifteen days from and after the first day of July in the year then next following, such further sum as is necessary to make the total sum paid by the said bank to be a sum equal to five per cent. of the average amount of its notes in circulation, from the time the said bank became subject to the provisions of this Act to the said first day of July—which sum shall be adjusted annually as hereinafter provided :

As to new banks.

3. The Minister of Finance and Receiver-General shall, upon the issue of a certificate under this Act, authorizing a bank to issue notes and commence the business of banking, retain out of any moneys of such bank then in his possession the sum of five thousand dollars,—which sum shall be held for the purposes of this section, until the annual adjustment hereunder takes place in the year then next following, at which time the amount at the credit of the bank shall be adjusted by payment to or by the bank of such sum as is necessary to make the amount at the credit of the bank to be a sum of money equal to five per cent. of the average amount of its notes in circulation, from the time it commenced business to the time of such adjustment,—which sum shall be adjusted annually, as hereinafter provided ;

Formation of circulation redemption fund.

4. The amounts so paid, retained, and kept on deposit as aforesaid shall form a fund to be known as " The Bank Circulation Redemption Fund,"—which fund shall be held for the following purpose, and for no other, namely : In the event of the suspension by the bank of payment in specie or Dominion notes of any of its liabilities as they accrue, for the payment of the notes then issued or re-issued by such bank and intended for circulation, and then in circulation, and interest thereon ; and the Minister of Finance and Receiver-General shall, with respect to all notes paid