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### THE BANKING ACT.

The amendments to the Banking Act made by the bill assented to on the 7th instant, include one which changes the law regulating loans as laid down in the recent case of *Bank of Montreal v. Geddes* (ante p. 146). Section 51 of the Banking Act (34 Vic.), cited in that case, is repealed, and the following substituted for it:—

“51. The Bank shall not make loans or grant discounts on the security of its own stock, but shall have a privileged lien for any debt or liability for any debt to the Bank, on the shares and unpaid dividends of the debtor or party so liable, and may decline to allow any transfer of the shares of such debtor or party until such debt is paid, and if such debt is not paid when due the Bank may sell such shares, after notice has been given to the holder thereof, of the intention of the Bank to sell the same, by mailing such notice in the Post Office to the last known address of such holder, at least thirty days prior to such sale; and upon such sale being made, the President, Vice-President, Manager or Cashier shall execute a transfer of such shares to the purchaser thereof in the usual transfer book of the Bank, which transfer shall vest in such purchaser all the rights in or to such shares which were possessed by the holder thereof, with the same obligation of warranty on his part as if he were the vendor thereof, but without any warranty from the Bank or by the officer of the Bank executing such transfer;

“And nothing in this Act contained shall prevent the Bank from acquiring and holding as collateral security for any advance by or debt to the Bank, or for any credit or liability incurred by the Bank to or on behalf of any person (and either at the time of such advance by, or the contracting of such debt to the Bank, or the opening of such credit, or the incurring of such liability, by the Bank), Dominion, Provincial, British, or Foreign public securities, or the stock, bonds, or debentures of municipal

or other corporations except Banks; and such stock, bonds, debentures, or securities, may, in case of default to pay the debt for securing which they were so acquired and held, be dealt with, sold and conveyed, in like manner and subject to the same restrictions as are herein provided in respect of stock of the Bank on which it has acquired a lien under this Act; This provision may, however, be departed from or varied by any agreement between the Bank and the owner of such stock, bonds, debentures or securities, made at the time at which such debt was incurred, or if the time of payment of such debt has been extended, then by an agreement made at the time of such extension.”

It will be seen that loans on the collateral security of shares of corporations are now expressly permitted.

Sect. 26 of the 34th Victoria is also amended by adding the following thereto as a subsection thereof:—

“(2) No person holding stock in any Bank as executor, administrator, guardian or trustee, of or for any person named in the books of the Bank as being so represented by him or her, shall be personally subject to any liabilities as a stockholder, but the estate and funds in his or her hands shall be liable in like manner and to the same extent as the testator, intestate, ward or person interested in such trust-funds would be, if living and competent to hold the stock in his or her own name; and if the trust be for a living person, such person shall also himself or herself be liable as a shareholder: but if such testator, intestate, ward or person so represented is not so named in the books of the Bank, the executor, administrator, guardian or trustee shall be personally liable in respect of such stock, as if he or she held it in his or her own name as owner thereof.”

### CONTRACTS IN RESTRAINT OF TRADE.

Contracts in restraint of trade have received their latest illustration in the case of *Roussillon v. Roussillon*, which was decided by Mr. Justice Fry two or three days back. The plaintiffs, who are champagne merchants at Epernay, and have a place of business in London, applied for an injunction to restrain the defendants from carrying on a rival trade. The defendant went into the employment of the plaintiffs at Epernay