

its cash actually in hand or deposited in any chartered bank in Canada and belonging to the Company.

2. The loans or advances by the Company to its shareholders upon the security of their stock shall be deducted from the amount of the paid-up capital upon which the Company is authorized to borrow.

Loans to shareholders to be deducted from capital.

3. The liabilities of any company which are assumed by the Company shall form part of the total liabilities of the Company to the public for the purposes of this section.

As to liabilities to the public.

10 **12.** The directors may, from time to time, by by-law, provide for the decrease of the capital stock of the Company to any amount not less than one hundred thousand dollars which they consider sufficient.

Decrease of capital.

2. Such by-law shall declare the number of the shares of the stock so decreased and the allotment thereof or the rules by which the same is to be made.

Contents of by-law.

3. The liability of shareholders to persons who are, at the time the stock is decreased, creditors of the Company, shall remain as though the stock had not been decreased.

Rights of creditors preserved.

20 **13.** No by-law for decreasing the capital stock of the Company shall have any force or effect unless and until it has been sanctioned by a vote of the shareholders present or represented by proxy at a general meeting of the Company duly called for considering such by-law, such shareholders holding not less than two-thirds of the issued capital stock of the Company represented at such meeting, and provided that such by-law has afterwards been confirmed by a certificate of the Minister of Finance, given under the authority of the Treasury Board.

Requisites for validity of by-law.

30 **14.** Upon the application to the Minister of Finance for a certificate confirming such a by-law, the Company shall satisfy him of the *bona fide* character of the decrease of capital thereby provided for; and, unless it appears that the granting of such certificate would not be in the public interest, the Minister, with the approval of the Treasury Board, may grant the same: Provided that, with the consent of the Company, the amount of such decrease of capital may, by the certificate, be changed, and the decrease made subject to such conditions as the Treasury Board thinks proper.

Requisites for such certificate.

Proviso.

15. The directors may, with the consent of the shareholders at the first general meeting, or thereafter at any special general meeting duly called for the purpose, create and issue debenture stock in sterling or currency, in such amounts and manner, on such terms as to redemption or pay-

Debenture stock.