

4. One of such Inspectors shall be appointed by the Governor in Council Chief Inspector of the Board and shall be entitled to hold the office of Chief Inspector so long as he continues a member of the Board.

5. No Inspector shall indirectly or directly hold, purchase, take or become interested in any stock or share of any chartered bank of Canada, nor of any trust or loan or other company having any business dealings with the chartered banks of Canada.

6. The remuneration of the Board of Inspectors shall be fixed by the Governor in Council and be paid by an assessment of the chartered banks of Canada, such assessment to be according to the paid up capital of each bank.

7. Every bank shall be inspected twice each year or oftener if deemed necessary by the Minister.

8. Each member of the Board of Bank Inspectors shall have a right of access to the books and accounts, cash, securities, documents and vouchers of the bank, and shall be entitled to require from the directors and officers of the bank such information and explanation as may be necessary for the performance of the duties of the Inspector.

9. If the bank has branches or agencies it shall be sufficient for all the purposes of this section if the auditors are allowed access to the returns, reports, and statements and to such copies of extracts from the books and accounts of any such branch or agency as have been transmitted to the chief office, but the Inspectors may in their discretion visit any branch or agency for the purpose of examining the books and accounts, cash, securities, documents, and vouchers at the branch or agency.

10. It shall be the duty of the Inspectors twice at least each year, in addition to such checking and verification as may be necessary, for this report upon the statement submitted to the shareholders under section 54 of this Act, to check the cash and verify the securities of the bank at the Chief Office of the Bank against the entries in regard thereto in the books of the bank, and should they deem it advisable, to check and verify in the same manner the cash and securities at any branch or agency.

11. The Inspectors shall make a report to the Minister on the accounts examined by them on the checking of cash and verification of securities referred to in the next preceding sub-section and on the statement of the affairs of the bank submitted by the directors to the shareholders under section 54 of this Act during each year of their tenure of office, and the report shall state:

(a) Whether or not they have obtained all the information and explanation they have required.

(b) Whether their checking of cash and verification of securities required by sub-section 10 of this section agreed with the entries in the books of the bank with regard thereto.

(c) Whether, in their opinion, the statement referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the bank's affairs according to the best of their information and the explanation given them, and as shown by the books of the bank.

(d) Whether there have been any violations of the provisions of the Bank Act, and if so, in what particulars, and

(e) Whether there are any acts of fraud being perpetrated by the officials or officers of the bank.

By Mr. STEELE.

To amend section 61 by adding to the first subsection thereof a paragraph as follows:—

(c) But the bank shall not re-issue such notes until the same have been sterilized, by heating them to a temperature of 270 degrees or by some other method approved by the minister.