

SECTION 21.

Existing Section.

21. The directors shall be elected by the shareholders on such day in each year as is appointed by the charter or by any by-law of the bank and at such time of the day as the directors appoint.

The following section is new:—

35a. The capital stock of any bank heretofore incorporated which is at the date of the passing of this Act divided into shares of fifty dollars each may be re-divided into shares of one hundred dollars each, by by-law passed by the shareholders at any annual general meeting or by any special general meeting called for the purpose.

2. Each shareholder shall be entitled on any re-division made in pursuance of the next preceding subsection to an allotment of one share of one hundred dollars for each two shares of fifty dollars then held by him, and the bank may call in the existing certificates of stock, and issue new certificates in lieu thereof.

3. As soon as may be after such re-division the bank shall call for tenders for the purchase of the share of persons, who continue to hold respectively only one fifty dollar share by giving public notice for four weeks and the advertisement shall state the total number of shares so offered; and a copy of such advertisement shall be mailed in the post office, registered and post paid to the last known address of each of such shareholders at least twenty-one days before the last day fixed thereby for receipt of tenders, and the tenders shall be for two such fifty dollar shares or the multiples thereof, and the highest tenderers shall be entitled, on payment of the amount tendered, to one one hundred dollar share for each two fifty dollar shares in respect of which they were the highest bidders.

4. The proceeds derived from the sale of the shares referred to in the next preceding sub-section, shall, without deduction for costs or charges, be distributed rateably among the former shareholders entitled thereto, and the payment of the amounts shall relieve the bank from all liability in respect of the shares so sold.

5. Any of the original unsubscribed capital stock, or of the increased capital stock of a bank whose shareholders have passed a by-law under sub-section one of this section shall when issued be allotted in shares of one hundred dollars each.

SHAREHOLDERS' AUDIT.

Section 56 is entirely new and contains 17 subsections. Of these the following are the most important:—

56. The shareholders may, at any annual general meeting, appoint an auditor or auditors to hold office until the next annual general meeting.

2. If an appointment of auditors is not made at an annual general meeting, the executive council of the Association may, on the written application of shareholders, the aggregate of whose paid-up capital stock is equal to at least one-twentieth of the paid-up capital stock of the bank, appoint an auditor or auditors of the bank to hold office until the next annual general meeting, and the executive council shall fix the remuneration to be paid by the bank for the services of the auditor or auditors so appointed.

3. A director or officer of the bank shall not be capable of being appointed auditor of the bank.

9. The remuneration of the auditors shall be fixed by the shareholders at the time of their appointment.

10. Every auditor of a bank 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 auditors.

11. If the bank has branches or agencies it shall be sufficient for all the purposes of the 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 auditors 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.

12. It shall be the duty of the auditors, once at least during their term of office, in addition to such checking and verification as may be necessary for their report upon the statement submitted to the shareholders under section 54

Proposed New Section.

21. The directors shall be elected by the shareholders at the annual general meeting.

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.

13. The auditors shall make a report to the shareholders 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 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 subsection 12 of this section agreed with the entries in the books of the bank with regard thereto; and (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 banks affairs according to the best of their information and the explanation given to them, and as shown by the books of the bank.

14. The auditors' report shall be attached to the statement submitted by the directors to the shareholders under section 54 of the Act and the report shall be read before the shareholders in the annual general meeting.

(To be continued)

THE UNION BANK OF CANADA.

In common with the statements now being published by Canadian banks generally, that of the Union Bank of Canada, submitted at the annual meeting held at Quebec last Saturday, is of a satisfactory character. During the year which ended on November 30th last, the net profits, after making the customary deductions, reached \$451,620, a rate of 14 per cent. upon the average capital paid up. There is added to these net profits, the substantial sum of \$359,810, premium on new stock issued during the year, and the balance brought forward from the previous year makes the total of this account \$840,107.

Of this amount, \$500,000 is transferred to the Reserve Fund, this including the premium on new stock issued, \$359,810 and an additional allocation of \$140,190. This brings the reserve fund up to \$2,400,000 or 60 per cent. of the paid-up capital. The quarterly dividends, three at the rate of seven per cent. per annum and one at the rate of eight per cent. per annum, absorb a little less than \$250,000; a contribution of \$10,000 is made to the Officers' Pension Fund, and the balance forward is substantially increased to \$80,486.

The Union of Canada, as the report shows, is actively extending its field of operations. During the year under review, no fewer than 37 branches or agencies have been opened by the Bank. The great majority of these are naturally in the West, sixteen having been opened in Saskatchewan, nine in Alberta, and five in British Columbia, while, coincidentally, five have been opened in Ontario, one in Manitoba and one in Nova Scotia. Two agencies, one in Alberta and one in Saskatchewan, have been closed during the year, the net result of this year's extensions being to bring the number of the Bank's branches up to 204.

In other ways, also, besides the rapid extension in the number of its branches, there are indications