

between the business they are framed to control and banking, although in so far as they permit the taking of deposits they violate this principle.

Liability of shareholders is limited to the amount unpaid on their stock. The issue of circulating notes is prohibited. The security upon which loans may be made is confined to real property and bonds, stocks, or similar collateral. But probably the most important provisions are those which regulate the borrowing powers of the companies.

All the Acts of the Dominion Parliament and the Ontario Legislature unite in requiring a certain amount of capital to be actually paid in before a company can begin business. The amount, however, varies. The Dominion "Companies Act" calls for \$100,000. The Ontario "Building Societies Act" for \$40,000, with an increase to \$100,000 should the company desire to borrow more than the amount of its paid in capital. The private Acts, as a rule, follow the lines laid down in this respect by the general legislation.

The borrowing powers also vary according to the source from which they are derived. Under the Dominion "Companies' Act" a company cannot borrow at all unless twenty per cent. of its subscribed stock, with a minimum of \$100,000, has been paid-up. If it takes deposits, whether it borrows in other ways or not, the deposits must not exceed in the aggregate the amount of its paid-up capital and cash combined. If it borrows only by way of debentures or other like securities, and not by way of deposits, the amount must not exceed four times its paid-up capital, *or* the amount of its subscribed capital, at the option of the company. If it borrows on both deposits and debentures or other securities, the aggregate borrowed, less the amount of cash on hand and in bank, must not be greater than the amount of principal unpaid on securities held by the company; nor must it exceed double the paid-up unimpaired capital.

Under the Ontario "Building Societies Act" a company is prohibited from borrowing until \$100,000 of stock is subscribed, and \$40,000 paid thereon. If the paid in capital does not reach \$100,000 the company cannot borrow more than the amount that is paid in. If the paid in capital is \$100,000 or