

## APPENDIX No. 2

(f) Lend money or make advances in excess of ten per cent of its paid-up capital to any company or corporation in which the president, any director, manager or any principal officer of the bank is or are directly or indirectly interested without the unanimous consent of all the directors present at a special board meeting called for the purpose of passing upon such loan or advances.

(g) Lend money or make advances in excess of ten per cent of its paid-up capital to any foreign person, company or corporation or upon the securities of such foreign person, company or corporation or in excess of twenty-five per cent of the bank's paid-up capital to any person residing in Canada or any company or corporation having its head office in Canada or upon the securities of such person, company or corporation.

Debated, and ordered to stand for further consideration.

Section 89 again read.

Mr. Casgrain moved that subsection 2 be amended by striking out all the words commencing with the word "who" in the ninth line thereof down to the end of the subsection and by substituting therefor the words "of or in respect to such products, goods, wares and merchandise to the amount remaining unpaid."

The question being put on the foregoing amendment, it was negatived.

Section 89 was then adopted.

On motion of Mr Marler, the following was inserted as a new subsection 3 to section 76:

"3. No agent or manager of any bank shall act as agent for any Insurance Company or for any person in the placing of Insurance, nor shall any bank exercise pressure upon any borrower to place insurance for the security of such bank in any particular insurance agency but nothing herein contained shall prevent such bank from requiring such insurance to be placed with an insurance company which it may approve."

Section 76 ordered to stand for further consideration.

Section 125 again read.

Mr. Hughes moved that the same be amended by inserting the following as a new subsection 3:

"(3) Transfers or sale of shares of the bank by directors or other executive officers of the bank, made within a period of one year prior to any suspension by the bank of payment of any of its liabilities as they accrue in specie or Dominion notes shall be null and void at the option of the transferee who may elect to return such shares or any of them to the transferor and be thereupon entitled to recover the amount of the purchase price thereof, and, in the event of such option being exercised the transferor shall be and become liable as a shareholder under subsection one of this section and the transferee be not liable in any respect whatsoever as to the said shares under the said subsection one hereof."

The question being put on the foregoing proposed amendment, it was negatived on division.

Section 125 was then adopted.

Section 136 again read.

Mr. Irvine moved that the same be amended by adding thereto as subsection 5 the following:—

"5. Provided however that notwithstanding anything to the contrary in this Act provided it shall be lawful for any number of people to organize a mutual bank by each member depositing with the proper authorities securities