

Hochelaga Bank. The annual statement of the Hochelaga Bank just issued shows net profits of \$417,697 as against \$360,821 last year. Four quarterly dividends at eight per cent. per annum were paid, and \$200,000 was carried to the reserve fund, making the reserve equal to the paid-up capital of \$2,500,000.

London Lloyd's. Announcement has been made in London that Lloyd's are about to apply for a new Act of Parliament to extend the objects and powers of the Society and the committee, to amend the provisions of their Act of 1871, and more especially, but not exclusively, to provide that the Society's objects "shall include the carrying on the business of insurance of every description, including guarantee business, by members of this Society." Power will also be sought to enable the Society and the committee, by themselves or jointly with other persons, for the purpose of complying with the provisions of the Assurance Companies' Act, 1909, or any other Act of Parliament or the regulations of the Society with reference to furnishing security by members of the Society, to guarantee the payment of claims on policies underwritten by members, and to guarantee the due performance by any guarantor of any contract by which he guarantees the payment of any such claims, and for such purpose to pledge the capital stock and corporate or other funds of the Society. The time is now approaching for the annual audit at Lloyd's, and according to the Syren & Shipping, a well-known London journal, by some underwriters the prospect is regarded with acute anxiety. It has been a bad year for losses, and some, says the Syren, can hardly fail to go under. The Syren also gives publicity to allegations that the audit at Lloyd's is being circumvented by the making of temporary loans to underwriters to enable them to pass the audit. "This is a matter," says our contemporary, "that requires the most careful scrutiny by the auditors, for money so borrowed is a fictitious asset, and if the practice is allowed to continue it will reduce the audit to an absolute farce."

**The Bank Act:
Suggested
Amendments.**

Mr. M. J. Demers, member for St. John and Iberville, Que., in the Dominion Parliament has brought in a short bill to amend the Bank Act, which was given the formality of a first reading on November 23. Mr. Demers proposes the insertion of the following section immediately after section 28:—

28a.—At the annual meeting for the election of directors, and before such election takes place, the president or the person acting as such, shall render a detailed account of (1) to the shareholders, present at such meeting, of the operations of the bank, and of the loans, or advances made by the bank to any person, company or association, exceeding the sum of ten thousand dollars, and give, if required all information, regarding the guarantees of the bank for all such loans or advances.

Mr. Demers proposes also to amend section 31, sub-section 1, so that fifteen shareholders, instead of twenty-five, who are proprietors of one-twentieth, instead of one-tenth, of the paid-up capital stock of a bank can call a special general meeting of the shareholders. In section 37, sub-section 2, he proposes to substitute "shall" for "may" in the present reading: "The directors may cancel any subscription for any share unless a sum equal to ten

per cent. at least on the amount subscribed for is actually paid at or within thirty days after the time of subscribing." Mr. Demers proposes also the insertion of the following sections which refer to external examination and inspection:—

114a. The Minister (of Finance) may, at least once in every two years, have an inspection made of any bank, by an auditor or inspector appointed by him for that purpose and such officer shall have power to examine all books, papers, documents and notes in the possession of the bank, for the purpose of securing exactness in the annual and monthly returns required by sections 112 and 114 of this Act, with regard to the financial condition of the bank.

114b. Such auditor or inspector, before entering upon his duties, shall take an oath not to divulge anything that comes to his knowledge in the course of such examination or inspection except in the case provided for in section 114d of this Act.

114c. The president and directors of every bank shall in writing over their signature furnish the auditor with all information that he may require from them, jointly or individually concerning the bank, and in default of so doing within two days, each of them shall be liable to a fine of fifty dollars for each day thereafter that he neglects or refuses to give such information.

114d. As soon as possible after the close of the examination or inspection of the bank, the auditor or inspector shall make a return of his proceedings and observations to the Minister, who shall keep the contents of such return secret, except in the case provided for in section 114e of this Act.

114e. The Minister may, if he thinks proper, after having examined the return made in the preceding section make its contents known to the Canadian Bankers' Association.

**Bank of Montreal
vs. Stuart.**

The Judicial Committee of the Privy Council have given their decision in the case of the Bank of Montreal vs. Stuart.

This case arose out of guarantees given by Mrs. John Stuart, wife of Mr. John Stuart, at one time president of the Bank of Hamilton, on behalf of the Maritime Sulphur Company of Chatham, N.B., of which her husband was president. The company had an overdraft with the Bank of Montreal, and Mrs. Stuart's guarantees were obtained by her husband. The Company subsequently went into liquidation, and Mrs. Stuart was compelled to surrender her property in satisfaction of the guarantees. Subsequently, action was taken by Mrs. Stuart in the Canadian courts. The Supreme Court gave judgment in her favor and the Bank of Montreal appealed to the Privy Council, this appeal having now been dismissed. Lord Macnaughten, in delivering judgment, according to cables received, said the evidence was clear that in all these transactions Mrs. Stuart, who was a confirmed invalid, had acted in passive obedience to her husband's directions. She had no will of her own, nor had she any means of forming an independent judgment, even if she had desired to do so. She was ready to sign anything her husband asked her to sign, and to do anything he told her to do. At the same time it was only right to say that in her evidence in this action she repudiates the notion that any influence was exerted or any pressure put upon her, or that her husband made any misrepresentation to her. She says she acted of her own free will to relieve her husband in his distress, and that she would have scorned to consult anyone. It is difficult, continued Lord Macnaughten, to determine in any case the point at which the influence of one's own mind upon another amounts to undue influence. It is especially so in the case of a wife. It may well be argued that when there is evidence of over-power-