

legislation is asked to sanction any reduction of the capital stock, a statement similar to that required to be laid before the Treasury Board, in the other alternative, must be filed with the Minister of Finance and Receiver General at least one month prior to the introduction into Parliament of the Bill relating to such reduction. (Section 28.)

Section 27 which deals with the allotment to shareholders of the original unsubscribed stock, or of the increased stock of the Bank, amends the present law by providing that in no case shall a rate be fixed by the directors, which will make the premium (if any) paid or payable on such stock exceed the percentage which the reserve fund of the Bank then bears to the unimpaired paid-up capital stock.

#### SHARES AND CALLS.

Section 28 contains an amended provision to the effect that Bank shares shall be assignable or transferable not only in Canada and the United Kingdom but also in any of the British Colonies or possessions, and the directors may open books of subscription and make dividends payable in any place or places in any such colonies or possessions, and may appoint agents therein for such purposes.

Under the present Act no time is fixed within which the directors are required to sell stock forfeited to the Bank for non-payment of calls. The proposed Act provides that such sale shall take place "within six months after such stock has been declared forfeited to the bank." The object of this provision, as also a similar enactment with regard to stock on which the Bank has a privileged lien, is to prevent any part of its subscribed capital being long held in abeyance. The effect of the double-liability clause is always weakened in proportion to the number of shares not outstanding; and the basis of circulation being the amount of paid-up capital stock a Bank, if it held in abeyance shares of insolvent debtors over which it had a lien, might in time be issuing its notes against a capital, part of which had virtually been paid up out of itself.

#### STOCK TRANSFERS.

Of all the amendments under this head, that contained in section 37 is by far the most important. It is in effect an addition to Canadian law of the most important provision of the English act, known as "Leeman's Act," by which contracts for the sale of Bank shares are void unless the numbers by which such shares are distinguished are