

be reinstated for default, are to be shown, also the fines or forfeitures, if any; and if the corporation intend to claim the right to exercise any other or further remedy, the notice to be given must be stated. Should the corporation take power to impose fines for default, then its by-laws are not to provide that compound fines shall be payable, or that fines shall not exceed ten per cent. of the instalment or sum in default.

If terminating shares are to be issued, the by-laws are to set forth the manner in which losses are to be ascertained, and also the mode in which the expense or management funds of the corporations are to be provided for. It is provided that there should be no liability either in respect of terminating or permanent shares beyond the amount of the shareholder's subscription. Section 17 enacts that the loan corporations may lend (1) on the security of real estate, (2) the public securities of Canada or of any of the provinces, (3) municipal or public school debentures, (4) the debentures of any society or company incorporated under the Building Societies Act, (5) the debentures of any company under which trustees may invest or may out of the funds appropriated to terminating shares lend on the security of terminating shares of the corporation itself. This is subject to the following proviso, "that in case a corporation heretofore so authorized, it shall be lawful, except as provided in section 19, to invest in and lend upon land or upon securities other than those mentioned in section 19." By section 19 the corporation is forbidden to lend upon its own stock a greater amount than ten per cent. of the paid-up permanent stock, and no loan shall exceed 66⅔ per cent. of the market price actually offered for the stock.

It is further provided in this section that a loan company may by by-law prohibit absolutely the loaning to shareholders upon the security of their stock, or, subject to certain limitations, pass a by-law limiting the aggregate amount which may be loaned on such stock, and that it shall not be lawful for the corporation to repeal either of such by-laws until the liabilities of the corporation are discharged. There has been a good deal of discussion on this part of the bill, which at first proposed absolutely to forbid the lending to shareholders upon their own stock, but it was finally passed with the above limitations.

The time during which a corporation may hold land is limited to twelve years, but a forfeiture shall not take effect until after six months' notice from Her Majesty. By section 26 it is provided that nothing in the Act should enlarge, impair or diminish the borrowing powers of corporations doing business on the 10th of February, 1897, by the Act, except so far as they might be enlarged by section 81.

Formerly a corporation which took debentures and borrowed on deposits could borrow twice the amount of the paid-up stock, and if paid-up stock were partially issued it could borrow to the amount of the subscribed stock, provided that the whole of the borrowing powers did not exceed three times the amount of the fully paid up and unimpaired capital. The effect of the new provision in section 81 is to enlarge the borrowing powers of that class of companies who have no partially paid-up stock, but have a fully paid capital, so that, instead of borrowing twice the amount of the paid-up capital, it can borrow three times the amount. This provision will not really affect the old-line companies who have issued partially paid-up stock, as their borrowing powers are substantially in accord with the Act.

Section 98 embraces a clause taken from the Banking Act, whereby the trustee is not personally liable in respect of shares held by him if the names of his beneficiaries are

declared. Ten days notice of meetings must be sent to each shareholder with a copy of the annual statement.

Section 92 makes a new provision in respect of the audit to this effect, that if a company has a branch establishment it shall be sufficient that the auditor is allowed access to such securities and to such reports and copies of and extracts from the books of account of any such branch as may have been transmitted to the head office of the company.

By section 108, the Act provides that the Governor-in-Council may appoint an efficient officer as corporation registrar. The annual statement is to be forwarded to the registrar, who is to make a report upon it, but the registrar is not to be considered as vouching for the financial solvency of any corporation.

Section 104 makes provision as to the class of loan companies which may be registered. They are divided into three classes. 1st. Loan companies proper; 2nd. Land companies who lend money; 3rd. Trust companies who lend money. It shall be the duty of the registrar to distinguish these loan companies. The registrar has very extensive powers under the Act. In addition to the above duties, he has the power of registering the corporations which are legally entitled and required to be registered. He may also take evidence on the matter.

Corporations operating in the Province at the time of the passing of the Act shall register before the 30th of June, 1897. On sufficient cause being shown, an extension of time may be granted. On application for registry, a financial statement extending to the 31st of December next preceding must be produced. Certificates of registration are good for one year, or to the next 30th of June after registration. The corporation being solvent, it shall be admissible to register as follows: 1st. Loan corporations constituted after the passing of the Act. 2nd. Loan corporations in active operation in Ontario on the 10th of February, 1897. Unregistered loan corporations are prohibited from doing business.

The registrar, or any person authorized by him, may, with the approval of the Minister, have, at any time within business hours, access to the books, vouchers, securities and documents of any corporation doing business in the province, and any person in charge of the custody or control of such documents refusing to allow access to the registrar shall be liable to a penalty not exceeding \$200 and costs and not less than \$20 and costs, and on default of payment, imprisonment. The registry of the company may, in addition, be cancelled. There are various fees for payment to the Government for the support of the office, which seem to be more than would be necessary for the payment of the registrar and his assistant. Every corporation having \$9,000,000 of assets is taxed \$200 for this purpose. The fees decrease gradually for the smaller companies, and where the assets are \$250,000 the fees are \$25.

There is a provision made for a company incorporated and finding its powers insufficient, enabling it to surrender its present charter and take a new one under this Act. Most of the provisions of the Act are merely a consolidation of the existing law, but a single Act containing the more important regulations in regard to the loan companies and building societies will undoubtedly prove of great advantage to these interests.

—Some well-known American metallurgical engineers now in England, it is said, have been making overtures with a view to the reorganization and reconstruction of one or more of the Bessemer steel works that have been idle for a considerable time, these works including West Cumberland, Tredegar, Rhymney and Darlington. The proposal is to reconstruct on the most modern American principles, so as to achieve a large output with a minimum amount of labor.