

renewal of the charters and corporate powers of all banks, which only exist for the period fixed by statute. On the first day of July in this year all existing charters expire. The necessity for their renewal gives an opportunity to consolidate the Act and make such amendments as have been found necessary. The more important of the changes will now be mentioned:

Provision is made for an external audit of the bank's affairs by the shareholders if they, or a small minority of them, desire it. Under the present system there is an internal audit by which the directors and management keep in touch with the bank's business. The new audit proposed is for the information of the shareholders, the real owners of the bank. In England the large joint stock banks have, by statute, a similar audit.

The bill makes changes with respect to the organization of banks. It is now made clear to subscribers for stock that they are undertaking a double liability. The necessary amount subscribed must also be paid in cash by the subscribers before the organization can take place. If, when a charter has been obtained but the provisional directors have failed to get the bank organized within the time limited by the Act, no part of the funds collected shall be disbursed for commissions or salaries among the promoters or provisional directors unless the subscribers themselves consent thereto. Some existing banks still have fifty dollar shares; these may now be converted into one hundred dollar shares without the necessity of obtaining a special Act.

No material changes have been made with regard to the business and powers of banks; only some slight modifications appear. A bank may lend money to a receiver duly authorized to borrow, and the lending bank may take security in such form and upon such property and assets as the court may allow. By a recent decision it was held that planks and boards were not included under the expression "products of the forest." It had been generally believed that they were covered by the Act of 1890. The expression is now defined to include timber and lumber of all kinds.