

officers and employees of the bank and their families, and to contribute thereto out of the funds of the bank. This provision necessitated the withdrawal of the obligation imposed upon directors by the present Act to give bonds for the due and faithful performance of their duties. This has been done in section 23, sub-section 2, the word "may" replacing the word "shall."

The result of these amendments, however, is that in the event of the shareholders *not* authorizing the establishment of guarantee funds, the necessity of requiring official bonds is left entirely within the discretion of the directors. It may well be asked is this the intent of the Bill, or has there been merely an omission, which if supplied would require the taking of bonds in the absence of such authorization. If the intent of the Bill, recent defalcations would seem to render so important an amendment ill-advised. If at one time the necessity of requiring official bonds was considered to exist, times can scarcely be said to have changed.

#### QUALIFICATION OF DIRECTORS.

Section 19, sub-section 2, deals with the qualification of directors. Here, also, an amendment has been made to the present law. Each director will be required to hold capital stock on which the amounts fixed are *paid up*. At present the law is satisfied if he is the possessor of "stock" to the fixed amount, whether such stock is wholly or only partly paid up.

#### PROXIES.

Section 25, sub-section 5, provides that all proxies to be valid, must be made or renewed in writing within two years next preceding the time of meeting. The present Act reads "three years."

#### CAPITAL STOCK.

Passing on to the next general head, that of capital stock, it will be noticed that the clause in the present Act which enables the shareholders to increase the stock of the bank is amended, and in the proposed Bill every such increase requires the consent of the Treasury Board. (Section 26.)

An important amendment authorizes any Bank to reduce its stock with the approval of the Treasury Board, without the passing of a special act being necessary, as at present. And in all cases in which