shall not be bound to see to the execution of any trust to which its stock may be subject. If stock stands in the name of more parties than one, the receipt of any one for dividends or other money payable on account of such share shall be sufficient, unless there has been notice to the contrary.

(*f*) At the meetings of the bank, shareholders shall have one vote for each share held for thirty days before the meeting. They may vote by proxy, but the person holding the proxy must be a stockholder. No officer of the bank, other than a director, to have a vote or hold a proxy.

(*g*) Shareholders shall have power to make by-laws regulating sundry matters, including the number and qualification of directors (subject to the provisions of the Act), the remuneration of directors, and the amount of discounts to be allowed to any one person, firm or corporation, together with such matters of internal economy as are generally fixed by by-laws.

(*h*) Any number of shareholders, not less than twenty-five, together holding not less than one-tenth of the whole stock, shall have power to call a special meeting, on giving six weeks' public notice, specifying the object of the meeting.

(*k*) The shareholders who have paid all calls shall elect the directors, by ballot, at an annual meeting, of which four weeks' notice shall be given. Not less than five shall be chosen, nor more than ten. These shall immediately choose from among themselves, by ballot, a president and a vice-president. All directors must be natural-born or naturalized subjects of Her Majesty. Shareholders may vote by proxy, but the person holding the proxy must be a shareholder.

(*l*) Directors shall have power to regulate the internal economy of the bank, appoint officers and clerks (including directors for branches), and pay them such salaries as they may think desirable. They shall take security from all officers and clerks. They may make and sue for calls as they may find expedient, at intervals of not less than thirty days, and not to a larger amount than ten per cent. at one time. Shareholders neglecting to pay, to forfeit ten per cent. of the value of the shares, and shares to be sold to make up the amount.

(*m*) Directors to make a full exhibit of the affairs of the bank at every annual meeting, showing the assets and liabilities in a succinct form, the amount of the net profits, the amount of last dividend, and the surplus after paying it, and the amount of overdue debts due to the bank, with an estimate of the probable loss thereon.

(*n*) Directors to have oversight of all books and correspondence of the bank; but no shareholder, not being a director, to have power to inspect an account.

(*o*) Dividends to be declared half-yearly by the directors, but not so as to impair the capital, or reduce the rest below twenty per cent. thereof, if the dividend is above eight per cent.

If a bank suspends payment, and calls are made upon shareholders, all those shall be liable who have transferred their shares within one month of such suspension.

Such are the provisions of the Act which concern stockholders as such, and we recommend those of our readers who are interested in banks to make themselves familiar with them. The provision as to liability on shares will be found under another heading.

3. *Provisions in the Act which affect the customers of a bank.*

(*a*) A bank may receive deposits to any amount, and allow whatever rate of interest upon them may seem desirable.

It may discount bills and promissory notes, and take seven per cent interest in advance thereon. If any higher rate of interest be charged, there shall be no penalty therefor, except the forfeiture of the extra amount.

A bank may charge a commission for collecting inland bills, payable at its own branches of one eighth per cent. if the note has less than twenty days to run; one quarter per cent. if between thirty days and sixty; three eighths if between sixty and ninety, and one half if over ninety. For collecting bills at any other point in Canada, one half per cent. may be charged. There is no restriction on the charge for collecting in foreign countries as it is impossible to fix that by Statute.

(*b*) Banks may take as collateral security the stock of any other bank, or the bonds of any municipal or railway corporation or of any government:—But a bank shall not lend money on mortgage, nor on its own stock, nor on ships; nor shall it engage in buying and selling any merchandise except gold and silver bullion.

But a bank may take mortgages as additional security for a debt already contracted, and may dispose of such mortgages or purchase the property if sold, or procure a release of the equity of redemption.

And a bank shall have a privileged lien on the stock of its debtor, including dividends thereon, for any debt which is overdue; and may refuse to transfer until such debt is paid.

(*c*) Banks may lend on warehouse receipts and bills of lading, in the manner which was fully explained in our last number.

It was omitted to be stated, however, that the punishment for issuing a fraudulent receipt or bill of lading or for making away with the property, is two years imprisonment in gaol or penitentiary.

Regulations affecting the internal economy of the banks.

(*a*) Of the resources held by the bank to meet its engagements from day to day, not less than one third shall be held in Dominion notes. The Government to make arrangements by which such notes shall be procurable at all times, at offices to be established for the purpose, in exchange for gold.

(*b*) Banks shall be exempt from any tax on their circulation.

(*c*) They may hold real estate for their own use and occupation, and dispose of the same, and acquire other property in its stead.

(*d*) The promissory notes of the bank may be authenticated by the engraving of the signature of the President or Cashier.

The above synopsis comprises every essential point in the act; and, taken altogether, the Bill will prove an admirable settlement of a long disputed question. It preserves to the banks every right and privilege which is for the public interest, more especially that of circulation, and though the banks are now confined in this respect, within the limits of their paid up capital, the reduction will not prove a material disadvantage. As respects the safety of the working of banks, there are many provisions which are a great improvement on those of former charters. Of these the most important are the compelling the accumulation of a rest, or guarantee fund, the making the double liability of stockholders operative at the end of six months, instead of an indefinite period as before, and the increased detail in the public statements required, which will undoubtedly tend to check business of a dangerous character. As we have observed, the lessons of experience during the last few years have been largely drawn upon in framing the act, and the result will doubtless be felt in the increased stability of our banking institutions, the more steady maintenance of the value of their stocks, and the greater satisfaction of the large business community which is dependent upon them for discounting facilities.

It should be stated finally, to avoid misapprehension, that this act, with certain exceptions, relating to the bank of British North America and the Banque du Peuple, applies only to the following banks:

The Bank of Montreal,
" Quebec Bank,
" City Bank,
" Niagara District Bank.
Molson's Bank,
The Bank of Toronto,
" Ontario Bank,
" Eastern Townships Bank,
La Banque Nationale,