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LIST OF ACTS

SESSION 1934

FIFTH SESSION, SEVENTEENTH PARLIAMENT, 24-25 GEORGE V, 1934

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Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 2.

An Act to amend the Precious Metals Marking Act, 1928.

First reading, January 29, 1934.

The MINISTER OF TRADE AND COMMERCE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
69544 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 2.

An Act to amend the Precious Metals Marking Act, 1928.

R. S., c. 84; 1928, c. 40; 1929, c. 53.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Definitions.

1. *The Precious Metals Marking Act, 1928*, chapter eighty-four of the Revised Statutes of Canada, 1927, as amended by chapter forty of the statutes of 1928, and by chapter fifty-three of the statutes of 1929, is further amended by repealing paragraph *(c)* of section two thereof, and substituting the following therefor:—

'Dealer'.

"*(c)* 'dealer' means any person who is a manufacturer of, or a seller of, or an importer of, or who traffics in, whether by wholesale or retail, any of the articles to which this Act applies; and whether such person is an individual person, or a corporate or unincorporated body of persons, or a director, manager, officer or agent of any such body;"

'Mount.'

2. Section two of the said Act is further amended by adding thereto the following paragraph:—

"*(i)* 'mount' means any part, other than the plating of silver, of an article of silver plated ware applied or attached to the body of the article;" (New).

Gold.

3. Section eight of the said Act is amended by adding thereto the following subsection:—

National mark.

"(5) To any article wholly of Canadian manufacture composed of gold of not less than nine carats in fineness and the quality of the gold in which is truly and correctly indicated in the manner required by subsection two of this section, there may be applied a national mark authorized under licence by the Governor in Council and consisting of a representation of a crown surrounded by the letter 'C'." (New).

Explanatory Notes.

These amendments were unanimously approved by the Canadian Jewellers' Association, Inc.

1. *"Importer of"*—has been inserted and the comprehensive words "who traffics" substituted for "dealer."

The definition of 'dealer' at present reads as follows:—

> "*(c)* 'dealer' means any person who is a manufacturer of, or a seller of or dealer in, whether by wholesale or retail, any of the articles to which this Act applies; and whether such person is an individual person, or a corporate or unincorporated body of persons, or a director, manager, officer or agent of any such body;"

2. A description of 'Mount' was found necessary to clarify stamping on which the plating is deposited. Illustration, an article might be stamped E.P.N.S., (electro plate on nickel silver) and have white metal mounts—when it should be stamped E.P.N.S.—W.M. Mounts.

3 *and* **4.** The subsections added by these sections are new.

This proposed national mark on gold and silver articles (not gold plated or silver plated) should stimulate both the buying and manufacturing of gold and silver articles in Canada.

Section 8 of the Gold and Silver Marking Act applies only to gold articles, and section 9 only to silver articles.

Silver.

National mark.

4. Section nine of the said Act is amended by adding thereto the following subsection:—

"(5) To any silver article of sterling silver quality wholly of Canadian manufacture, on which the quality of the silver is truly and correctly indicated, there may be applied a national mark issued under licence by the Governor in Council consisting of a lion's head surrounded by the letter 'C'." (New.)

Gold plated and silver plated articles. 'Sheffield Reproduction.'

5. Subsection four of section ten of the said Act is amended by inserting the following paragraph immediately after paragraph *(c)* thereof:—

"*(d)* The words 'Sheffield Reproduction' to any article silver plated on a nickel or pure copper base with mounts of silver, nickel or copper solid or filled." (New).

6. Section ten of the said Act, as amended by section ten of chapter 40 of the statutes of 1928, is further amended by adding the following subsections thereto:—

'Gold.'

'Gold Filled.'

"(6) *(a)* The word 'gold' in any form or combination of words or the phrase 'Gold Filled' shall not be applied to any article manufactured in or imported into Canada composed in whole or in part of materials of quality less than that known to the trade as 1/20-10K with allowance of five per cent leeway on assay and wherein the gold is not soldered to or sweated on the base metal;

'Rolled plate,' etc.

(b) The phrase 'Rolled plate,' 'Electro plate' or 'Gilt,' may be applied to any article mentioned in paragraph *(a)* of quality less than that known to the trade as 1/20-10K.

Watch cases.

(7) *(a)* Notwithstanding anything in the next preceding subsection contained, the phrase 'gold filled' or words indicating that the article is gold filled if closely accompanied by words or marks usually employed to indicate the fineness of gold legibly stamped, branded, engraved or imprinted in characters of the same size as those employed in the said phrase or indicative words, may be applied to watch cases, the back and caps of which are made of two sheets of gold of a standard not lower than 10K or of any alloy thereof soldered or brazed to the two sides or surfaces of a sheet of inferior metal, the centre, bezel, pendant, crown and bow of which are made of one sheet of gold of a standard not lower than 10K or of any alloy thereof soldered or brazed to the outer surface of the sheet of inferior metal, the sheet of gold or of this alloy affixed to the outer surface of the back, centre, open face bezel, pendant, crown and bow whereof is not less than 3/1000 of an inch in thickness, and the sheet of gold affixed to the outer surface of the cap and of the hunting bezel whereof is not less than 1/1000 of an inch in

5, **6** and **7**. Section 10 provides for the application of marks to gold plated and silver plated articles.

5. The introduction of this paragraph was deemed necessary, for the reason that so much inferior silverware on a very poor base and stamped 'Sheffield Reproduction' was being sold to the public. This should stop firms trading on the standard created by Sheffield Reproductions.

6. Section 10 of the Act is amended to include the regulation dated December 6th, 1928.

thickness, and the thickness of the sheet of gold on the inner surfaces of the backs and caps whereof is of a standard not lower than 10K and soldered or brazed to the sheets of inferior metal;

'Gold.' *(b)* The word 'gold' or any carat mark or any word indicating gold or its fineness or colourable imitation thereof shall not be applied to any watch cases manufactured in or imported into or offered for sale in Canada of a quality lower than that set forth in paragraph *(a)* of this subsection." (New).

Obligatory marks. **7.** Subsection three of section ten of the said Act is repealed, and the following is substituted therefor:—

"(3) If any such article has applied to it any mark, it must have applied to it a trade mark registered in accordance with *The Unfair Competition Act, 1932.*"

8. Section eleven of the said Act is repealed, and the following sections are substituted therefor:—

Electro-plated flat ware. "**11.** (1) This section applies only to articles which are plated with silver and are known to the trade as *'electro-plated flat ware.'*

Prohibited marks. (2) There shall not be applied to such an article any mark other than a mark authorized by this section.

Obligatory marks. (3) If such an article has applied to it, or associated with it, any mark, it must have applied to it a trade mark registered in accordance with *The Unfair Competition Act, 1932.*

Grade or quality mark. (4) In addition to such trade mark, there may be applied a mark indicating truly and correctly the grade or quality as known to the trade, of the plating.

Other marks. (5) In addition to the marks applicable under subsections three and four of this section, there may be applied any or all of the following marks, provided that they are not incorporated with the grade or quality mark:—

Misleading marks. *(a)* numerals intended to identify the article or pattern and not calculated to mislead or deceive;

(b) the name or initials of a dealer;

(c) any mark not calculated to mislead or deceive.

Grade or quality mark. (6) A grade or quality mark applied under the provisions of subsection four of this section shall not be deemed to indicate truly and correctly the grade or quality, as known to the trade, of the plating, unless it indicates truly and correctly the number of ounces, pennyweights or as the case may be, of pure silver upon twelve dozen articles exactly the same in size, design and plating as the article to which the mark is applied.

Mark 'A.1.' The mark 'A.1.' shall be understood to represent standard plate and shall be deemed to indicate that the quality of the plating is not less than two ounces of pure silver to the

'Triple plate.' gross of teaspoons, and the mark 'Triple plate' shall be taken to indicate that the quality is not less than six ounces

7. The words "*The Unfair Competition Act, 1932*" are substituted for the words "the Trade Mark and Design Act."

8. Section 11 in the Act deals with what is known to the trade as silver plated flat ware, (knives, spoons, forks, etc.), and silver plated hollow ware, (tea sets, trays, etc.). It is now proposed to separate them under 11 and 11A respectively. In subsection 6 of section 11 a standard is made for flat ware.

Subsection 4 of section 11A is altered to include mounts. See number 2 of these explanatory notes.

Subsection 6 of section 11A has been changed to include "Silverware," "Silver plated" or "Silver plate."

of pure silver to the gross of teaspoons, with other pieces in proportion.

'Silver.' (7) The word 'Silver' shall be deemed to be a mark not authorized by this section except when used in the words 'Silverplate', 'Silverplated', 'Silverware', or 'Nickel-silver,' or any abbreviation thereof.

'Nickel.' (8) A mark consisting of, or containing the word 'Nickel', or an abbreviation thereof shall not be applied unless the base of inferior metal, upon which the plating of silver is deposited, contains at least ten per cent of pure nickel.

'Brass.' (9) When the base of inferior metal upon which the plating of silver is deposited contains less than ten per cent of pure nickel, there must be legibly and conspicuously stamped upon the article, in conjunction with the registered trade mark, the word 'Brass' or such other word or words as will most accurately describe the base metal as known to the trade.

(10) The Governor in Council may make such regulations as he deems necessary or expedient for defining the plated articles to which this section shall apply, for designating such plated articles and for defining what marks thereon shall be deemed to be misleading. 1913, c. 19, s. 11.

'Electro-plated-hollowware.' "**11**A. (1) This section applies only to articles which are plated with silver and are known to the trade as 'electro-plated-hollowware,' other than articles known to the trade as 'Sheffield Reproductions' as provided for in paragraph *(d)* of subsection four of section ten.

Prohibited marks. (2) There shall not be applied to such an article any mark other than a mark authorized by this section.

Obligatory mark. (3) There shall be applied to every such article a trade mark registered in accordance with *The Unfair Competition Act, 1932*.

Grade or quality mark. (4) In addition to such trade mark there must also be applied in conjunction with the trade mark a mark or marks known to the trade indicating legibly and conspicuously the base metal of the article and mount or mounts if any upon which the plating is deposited.

Other marks. (5) In addition to such marks, there may be applied any or all of the following marks, provided that they are not incorporated with the grade or quality mark:—

Misleading marks. *(a)* numerals intended to identify the article or pattern;

(b) the name or initials of the dealer;

(c) any mark not calculated to mislead or deceive.

'Silver.' (6) The word 'Silver' shall be deemed to be a mark not authorized by this section, except when used in the words 'Silverplate,' 'Silverplated,' or 'Silverware,' 'Nickel silver,' or any abbreviation thereof.

Nickel.' (7) A mark consisting of or containing the word 'Nickel,' or any abbreviation thereof, shall not be applied unless the base of inferior metal upon which the plating of silver is deposited contains at least ten per cent of pure nickel.

8. Section 11 at present reads as follows:—

"**11.** This section applies only to plated articles which are plated with silver and known to the trade as 'electroplated flat ware' and 'electro-plated hollow-ware,' and to such other articles of like nature as are defined and designated by regulations made by the Governor in Council.

2. There shall not be applied to such an article any mark other than a mark authorized by this section.

3. If such an article has applied to it any mark it must have applied to it a trade mark registered in accordance with the Trade Mark and Design Act.

4. In addition to such trade mark there may be applied a mark indicating truly and correctly the grade or quality, as known to the trade, of the plating; but if such mark be applied there must also be applied a mark indicating truly and correctly the metal upon which the plating is deposited.

5. In addition to the marks required or authorized by subsections three and four of this section, there may be applied any or all of the following marks, provided that they are not incorporated with the grade or quality mark,

(a) numerals intended to identify the article or pattern and not calculated to mislead or deceive;

(b) the name or initials of a dealer;

(c) any mark not calculated to mislead or deceive.

6. A grade or quality mark applied under the provisions of subsection four of this section shall not be deemed to indicate truly and correctly the grade or quality, as known to the trade, of the plating, unless it indicates truly and correctly the number of ounces, pennyweights, or as the case may be, of pure silver upon twelve dozen articles exactly the same in size, design and plating as the article to which the mark is applied.

7. The word 'silver,' either alone or in a compound word, or in any combination of words, shall be deemed to be a mark not authorized by this section, except in the words 'Nickel silver' and 'German silver' when applied as marks in accordance with the provisions of subsection eight of this section.

8. A mark consisting of or containing the words 'Nickel silver' or the words 'German silver' shall not be applied unless the base of inferior metal upon which the plating of silver is deposited contains at least ten per cent of pure nickel.

9. When the base of inferior metal upon which the plating of silver is deposited contains less than ten per cent of pure nickel there shall be legibly stamped upon the article the word 'brass'.

10. The Governor in Council may make such regulations as he deems necessary or expedient for defining the plated articles to which this section shall apply, for designating such plated articles, and for defining what marks thereon shall be deemed to be misleading."

9. Section twelve of the said Act is repealed, and the following is substituted therefor:—

Meaning.

"**12.** The following marks, when applied to articles of gold plate or silver plate or electro-plate, shall be taken to mean, respectively, as follows: 'R.P.', rolled plate; 'E.P.', silver electro-plate; 'G.F.', gold-filled; 'Gilt', gold electro-plate; 'N.S.', nickel silver; 'B.M.', Britannia metal; 'W.M.', white metal; 'S.P.', silver plate.

Regulations.

(2) The Governor in Council may make such regulations as he deems necessary or expedient for designating and defining the meaning of other marks for such application. 1913, c. 19, s. 12.

Marks 'B.M.' and 'W.M.'

(3) The letters 'B.M.' or 'W.M.' shall not be applied to any article within the purview of section 11 or section 11A of this Act of the relative material of which tin does not comprise ninety per cent." (New).

Certain marks to be applied.

10. Section 12B of the said Act, as enacted by section one of chapter fifty-three of the statutes of 1929, is repealed.

11. Section thirteen of the said Act is amended by inserting the following paragraph immediately after paragraph *(e)* thereof:—

Offence.

"*(ee)* destroys, defaces or in any manner renders indecipherable any marks of quality or identification applied to any article under the authorization of this Act."

9. The section to be repealed reads as follows:—

"12. The following marks when applied to articles of gold or silver plate or electro-plate shall be taken to mean respectively as follows: 'R.P.,' rolled plate; 'E.P.,' silver electro-plate; 'G.F.,' gold filled; 'Gilt,' gold electro-plate; 'N.S.,' nickel silver; 'G.S.,' German silver; 'B.M.,' Britannia metal; 'W.M.,' white metal.

2. The Governor in Council may make such regulations as he deems necessary or expedient for designating and defining the meaning of other marks for such application. 1913, c. 19, s. 12."

The words "German silver," being obsolete, are struck out of subsection 1 of this section, and the letters and words "S.P., silver plate" are added. Subsection 2 is not changed. Subsection 3 is new.

10. Section 7 of the Act is deemed sufficient to meet what was expected of the section which is to be repealed. The section to be repealed reads as follows:—

"12B. If an article has applied to it any mark, it must have applied to it, if of Canadian manufacture, the trade mark of the manufacturer thereof, registered in accordance with the *Trade Mark and Design Act*, or, if such article is manufactured outside of Canada, it must have applied to it:

"*(a)* such trade mark of the manufacturer thereof; or *(b)* the name of the importer of, or dealer in, such article accompanied by the word 'imported'."

11. This particular offence was not covered by section 13 of the Act.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 2.

An Act to amend the Precious Metals Marking Act, 1928.

AS PASSED BY THE HOUSE OF COMMONS,
20th FEBRUARY, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
69546 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 2.

An Act to amend the Precious Metals Marking Act, 1928.

R. S., c. 84; 1928, c. 40; 1929, c. 53.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Definitions.

1. *The Precious Metals Marking Act, 1928*, chapter eighty-four of the Revised Statutes of Canada, 1927, as amended by chapter forty of the statutes of 1928, and by chapter fifty-three of the statutes of 1929, is further amended by repealing paragraph *(c)* of section two thereof, and substituting the following therefor:—

'Dealer'.

"*(c)* 'dealer' means any person who is a manufacturer of, or a seller of, or an importer of, or who traffics in, whether by wholesale or retail, any of the articles to which this Act applies; and whether such person is an individual person, or a corporate or unincorporated body of persons, or a director, manager, officer or agent of any such body;"

'Mount.'

2. Section two of the said Act is further amended by adding thereto the following paragraph:—

"*(i)* 'mount' means any part, other than the plating of silver, of an article of silver plated ware applied or attached to the body of the article;" (New).

Gold.

3. Section eight of the said Act is amended by adding thereto the following subsection:—

National mark.

"(5) To any article wholly of Canadian manufacture composed of gold of not less than nine carats in fineness and the quality of the gold in which is truly and correctly indicated in the manner required by subsection two of this section, there may be applied a national mark authorized under licence by the Governor in Council and consisting of a representation of a crown surrounded by the letter 'C'." (New).

Explanatory Notes.

These amendments were unanimously approved by the Canadian Jewellers' Association, Inc.

1. "*Importer of*"—has been inserted and the comprehensive words "who traffics" substituted for "dealer."

The definition of 'dealer' at present reads as follows:—

> "*(c)* 'dealer' means any person who is a manufacturer of, or a seller of or dealer in, whether by wholesale or retail, any of the articles to which this Act applies; and whether such person is an individual person, or a corporate or unincorporated body of persons, or a director, manager, officer or agent of any such body;"

2. A description of 'Mount' was found necessary to clarify stamping on which the plating is deposited. Illustration, an article might be stamped E.P.N.S., (electro plate on nickel silver) and have white metal mounts—when it should be stamped E.P.N.S.—W.M. Mounts.

3 *and* **4.** The subsections added by these sections are new.

This proposed national mark on gold and silver articles (not gold plated or silver plated) should stimulate both the buying and manufacturing of gold and silver articles in Canada.

Section 8 of the Gold and Silver Marking Act applies only to gold articles, and section 9 only to silver articles.

Silver.

4. Section nine of the said Act is amended by adding thereto the following subsection:—

National mark.

"(5) To any silver article of sterling silver quality wholly of Canadian manufacture, on which the quality of the silver is truly and correctly indicated, there may be applied a national mark issued under licence by the Governor in Council consisting of a lion's head surrounded by the letter 'C'." (New.)

Gold plated and silver plated articles. 'Sheffield Reproduction.'

5. Subsection four of section ten of the said Act is amended by inserting the following paragraph immediately after paragraph *(c)* thereof:—

"*(d)* The words 'Sheffield Reproduction' to any article silver plated on a nickel or pure copper base with mounts of silver, nickel or copper solid or filled." (New).

6. Section ten of the said Act, as amended by section ten of chapter 40 of the statutes of 1928, is further amended by adding the following subsections thereto:—

'Gold.' 'Gold Filled.'

"(6) *(a)* The word 'gold' in any form or combination of words or the phrase 'Gold Filled' shall not be applied to any article manufactured in or imported into Canada composed in whole or in part of materials of quality less than that known to the trade as 1/20-10K with allowance of five per cent leeway on assay and wherein the gold is not soldered to or sweated on the base metal;

'Rolled plate,' etc.

(b) The phrase 'Rolled plate,' 'Electro plate' or 'Gilt,' may be applied to any article mentioned in paragraph *(a)* of quality less than that known to the trade as 1/20-10K.

Watch cases.

(7) *(a)* Notwithstanding anything in the next preceding subsection contained, the phrase 'gold filled' or words indicating that the article is gold filled if closely accompanied by words or marks usually employed to indicate the fineness of gold legibly stamped, branded, engraved or imprinted in characters of the same size as those employed in the said phrase or indicative words, may be applied to watch cases, the back and caps of which are made of two sheets of gold of a standard not lower than 10K or of any alloy thereof soldered or brazed to the two sides or surfaces of a sheet of inferior metal, the centre, bezel, pendant, crown and bow of which are made of one sheet of gold of a standard not lower than 10K or of any alloy thereof soldered or brazed to the outer surface of the sheet of inferior metal, the sheet of gold or of this alloy affixed to the outer surface of the back, centre, open face bezel, pendant, crown and bow whereof is not less than 3/1000 of an inch in thickness, and the sheet of gold affixed to the outer surface of the cap and of the hunting bezel whereof is not less than 1/1000 of an inch in

5, **6** and **7**. Section 10 provides for the application of marks to gold plated and silver plated articles.

5. The introduction of this paragraph was deemed necessary, for the reason that so much inferior silverware on a very poor base and stamped 'Sheffield Reproduction' was being sold to the public. This should stop firms trading on the standard created by Sheffield Reproductions.

6. Section 10 of the Act is amended to include the regulation dated December 6th, 1928.

thickness, and the thickness of the sheet of gold on the inner surfaces of the backs and caps whereof is of a standard not lower than 10K and soldered or brazed to the sheets of inferior metal;

'Gold.' *(b)* The word 'gold' or any carat mark or any word indicating gold or its fineness or colourable imitation thereof shall not be applied to any watch cases manufactured in or imported into or offered for sale in Canada of a quality lower than that set forth in paragraph *(a)* of this subsection." (New).

Obligatory marks. **7.** Subsection three of section ten of the said Act is repealed, and the following is substituted therefor:—

"(3) If any such article has applied to it any mark, it must have applied to it a trade mark registered in accordance with *The Unfair Competition Act, 1932.*"

8. Section eleven of the said Act is repealed, and the following sections are substituted therefor:—

Electro-plated flat ware. "**11.** (1) This section applies only to articles which are plated with silver and are known to the trade as *'electro-plated flat ware.'*

Prohibited marks. (2) There shall not be applied to such an article any mark other than a mark authorized by this section.

Obligatory marks. (3) If such an article has applied to it, or associated with it, any mark, it must have applied to it a trade mark registered in accordance with *The Unfair Competition Act, 1932.*

Grade or quality mark. (4) In addition to such trade mark, there may be applied a mark indicating truly and correctly the grade or quality as known to the trade, of the plating.

Other marks. (5) In addition to the marks applicable under subsections three and four of this section, there may be applied any or all of the following marks, provided that they are not incorporated with the grade or quality mark:—

Misleading marks. *(a)* numerals intended to identify the article or pattern and not calculated to mislead or deceive;

(b) the name or initials of a dealer;

(c) any mark not calculated to mislead or deceive.

Grade or quality mark. (6) A grade or quality mark applied under the provisions of subsection four of this section shall not be deemed to indicate truly and correctly the grade or quality, as known to the trade, of the plating, unless it indicates truly and correctly the number of ounces, pennyweights or as the case may be, of pure silver upon twelve dozen articles exactly the same in size, design and plating as the article to which the mark is applied.

Mark 'A.1.' The mark 'A.1.' shall be understood to represent standard plate and shall be deemed to indicate that the quality of the plating is not less than two ounces of pure silver to the

'Triple plate.' gross of teaspoons, and the mark 'Triple plate' shall be taken to indicate that the quality is not less than six ounces

7. The words "*The Unfair Competition Act, 1932*" are substituted for the words "the Trade Mark and Design Act."

8. Section 11 in the Act deals with what is known to the trade as silver plated flat ware, (knives, spoons, forks, etc.), and silver plated hollow ware, (tea sets, trays, etc.). It is now proposed to separate them under 11 and 11A respectively. In subsection 6 of section 11 a standard is made for flat ware.

Subsection 4 of section 11A is altered to include mounts. See number 2 of these explanatory notes.

Subsection 6 of section 11A has been changed to include "Silverware," "Silver plated" or "Silver plate."

of pure silver to the gross of teaspoons, with other pieces in proportion.

'Silver.' (7) The word 'Silver' shall be deemed to be a mark not authorized by this section except when used in the words 'Silverplate', 'Silverplated', 'Silverware', or 'Nickel-silver,' or any abbreviation thereof.

'Nickel.' (8) A mark consisting of, or containing the word 'Nickel', or an abbreviation thereof shall not be applied unless the base of inferior metal, upon which the plating of silver is deposited, contains at least ten per cent of pure nickel.

'Brass.' (9) When the base of inferior metal upon which the plating of silver is deposited contains less than ten per cent of pure nickel, there must be legibly and conspicuously stamped upon the article, in conjunction with the registered trade mark, the word 'Brass' or such other word or words as will most accurately describe the base metal as known to the trade.

(10) The Governor in Council may make such regulations as he deems necessary or expedient for defining the plated articles to which this section shall apply, for designating such plated articles and for defining what marks thereon shall be deemed to be misleading. 1913, c. 19, s. 11.

'Electro-plated-hollowware.' "**11A.** (1) This section applies only to articles which are plated with silver and are known to the trade as 'electro-plated-hollowware,' other than articles known to the trade as 'Sheffield Reproductions' as provided for in paragraph *(d)* of subsection four of section ten.

Prohibited marks. (2) There shall not be applied to such an article any mark other than a mark authorized by this section.

Obligatory mark. (3) There shall be applied to every such article a trade mark registered in accordance with *The Unfair Competition Act, 1932*.

Grade or quality mark. (4) In addition to such trade mark there must also be applied in conjunction with the trade mark a mark or marks known to the trade indicating legibly and conspicuously the base metal of the article and mount or mounts if any upon which the plating is deposited.

Other marks. (5) In addition to such marks, there may be applied any or all of the following marks, provided that they are not incorporated with the grade or quality mark:—

Misleading marks. *(a)* numerals intended to identify the article or pattern;

(b) the name or initials of the dealer;

(c) any mark not calculated to mislead or deceive.

'Silver.' (6) The word 'Silver' shall be deemed to be a mark not authorized by this section, except when used in the words 'Silverplate,' 'Silverplated,' or 'Silverware,' 'Nickel silver,' or any abbreviation thereof.

Nickel.' (7) A mark consisting of or containing the word 'Nickel,' or any abbreviation thereof, shall not be applied unless the base of inferior metal upon which the plating of silver is deposited contains at least ten per cent of pure nickel.

8. Section 11 at present reads as follows:—

"**11.** This section applies only to plated articles which are plated with silver and known to the trade as 'electroplated flat ware' and 'electro-plated hollow-ware,' and to such other articles of like nature as are defined and designated by regulations made by the Governor in Council.

2. There shall not be applied to such an article any mark other than a mark authorized by this section.

3. If such an article has applied to it any mark it must have applied to it a trade mark registered in accordance with the Trade Mark and Design Act.

4. In addition to such trade mark there may be applied a mark indicating truly and correctly the grade or quality, as known to the trade, of the plating; but if such mark be applied there must also be applied a mark indicating truly and correctly the metal upon which the plating is deposited.

5. In addition to the marks required or authorized by subsections three and four of this section, there may be applied any or all of the following marks, provided that they are not incorporated with the grade or quality mark,

(a) numerals intended to identify the article or pattern and not calculated to mislead or deceive;

(b) the name or initials of a dealer;

(c) any mark not calculated to mislead or deceive.

6. A grade or quality mark applied under the provisions of subsection four of this section shall not be deemed to indicate truly and correctly the grade or quality, as known to the trade, of the plating, unless it indicates truly and correctly the number of ounces, pennyweights, or as the case may be, of pure silver upon twelve dozen articles exactly the same in size, design and plating as the article to which the mark is applied.

7. The word 'silver,' either alone or in a compound word, or in any combination of words, shall be deemed to be a mark not authorized by this section, except in the words 'Nickel silver' and 'German silver' when applied as marks in accordance with the provisions of subsection eight of this section.

8. A mark consisting of or containing the words 'Nickel silver' or the words 'German silver' shall not be applied unless the base of inferior metal upon which the plating of silver is deposited contains at least ten per cent of pure nickel.

9. When the base of inferior metal upon which the plating of silver is deposited contains less than ten per cent of pure nickel there shall be legibly stamped upon the article the word 'brass'.

10. The Governor in Council may make such regulations as he deems necessary or expedient for defining the plated articles to which this section shall apply, for designating such plated articles, and for defining what marks thereon shall be deemed to be misleading."

9. Section twelve of the said Act is repealed, and the following is substituted therefor:—

Meaning.

"**12.** The following marks, when applied to articles of gold plate or silver plate or electro-plate, shall be taken to mean, respectively, as follows: 'R.P.', rolled plate; 'E.P.', silver electro-plate; 'G.F.', gold-filled; 'Gilt', gold electro-plate; 'N.S.', nickel silver; 'B.M.', Britannia metal; 'W.M.', white metal; 'S.P.', silver plate.

Regulations.

(2) The Governor in Council may make such regulations as he deems necessary or expedient for designating and defining the meaning of other marks for such application. 1913, c. 19, s. 12.

Marks 'B.M.' and 'W.M.'

(3) The letters 'B.M.' or 'W.M.' shall not be applied to any article within the purview of section 11 or section 11A of this Act of the relative material of which tin does not comprise ninety per cent." (New).

Certain marks to be applied.

10. Section 12B of the said Act, as enacted by section one of chapter fifty-three of the statutes of 1929, is repealed.

11. Section thirteen of the said Act is amended by inserting the following paragraph immediately after paragraph *(e)* thereof:—

Offence.

"*(ee)* destroys, defaces or in any manner renders indecipherable any marks of quality or identification applied to any article under the authorization of this Act."

9. The section to be repealed reads as follows:—

"12. The following marks when applied to articles of gold or silver plate or electro-plate shall be taken to mean respectively as follows: 'R.P.,' rolled plate; 'E.P.,' silver electro-plate; 'G.F.,' gold filled; 'Gilt,' gold electro-plate; 'N.S.,' nickel silver; 'G.S.,' German silver; 'B.M.,' Britannia metal; 'W.M.,' white metal.

2. The Governor in Council may make such regulations as he deems necessary or expedient for designating and defining the meaning of other marks for such application. 1913, c. 19, s. 12."

The words "German silver," being obsolete, are struck out of subsection 1 of this section, and the letters and words "S.P., silver plate" are added. Subsection 2 is not changed. Subsection 3 is new.

10. Section 7 of the Act is deemed sufficient to meet what was expected of the section which is to be repealed. The section to be repealed reads as follows:—

"12B. If an article has applied to it any mark, it must have applied to it, if of Canadian manufacture, the trade mark of the manufacturer thereof, registered in accordance with the *Trade Mark and Design Act*, or, if such article is manufactured outside of Canada, it must have applied to it:

"*(a)* such trade mark of the manufacturer thereof; or *(b)* the name of the importer of, or dealer in, such article accompanied by the word 'imported'."

11. This particular offence was not covered by section 13 of the Act.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 3.

An Act to amend The Importation of Intoxicating Liquors Act.

First reading, January 29, 1934.

The MINISTER OF JUSTICE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
69938 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 3.

An Act to amend The Importation of Intoxicating Liquors Act.

1928, c. 31.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Subsection one of section three of *The Importation of Intoxicating Liquors Act*, chapter thirty-one of the Statutes of 1928, is repealed and the following is substituted therefor:—

Importation into province forbidden unless consigned to His Majesty, the Executive Government or commission, etc.

"**3.** (1) Notwithstanding the provisions of any other Act or law, no person shall import, send, take or transport, or cause to be imported, sent, taken or transported into any province from or out of any place within or without Canada, any intoxicating liquor, except such as has been purchased by or on behalf of, or which is consigned to His Majesty or the Executive Government of the province into which it is being imported, sent, taken or transported, or any board, commission, officer or other governmental or other agency which, by the law of the province, is vested with the right of selling intoxicating liquor."

Explanatory Note.

These amendments are recommended by the Department of the Attorney General of Ontario. That Department states that there are certain Ontario breweries which enjoy sales of beer in the Province of Quebec, and that quantities of beer are shipped from Ontario, not to the Quebec Liquor Commission, but to the various licensees holding licences from the Quebec Liquor Commission, such as grocers, tavern keepers, innkeepers, hotel keepers, etc. Beer is intoxicating liquor within the meaning of the Importation of Intoxicating Liquors Act, and, as the beer is consigned, not to the Executive Government of the Province of Quebec, or to the Quebec Liquor Commission, a technical contravention of section 3 of the statute is taking place. The effect of the amendments will be to authorize shipments to other agencies which by the law of the Province are vested with the right of selling intoxicating liquor.

1. The subsection to be repealed and re-enacted reads as follows:—

"**3.** (1) Notwithstanding the provisions of any other Act or law, no person shall import, send, take or transport, or cause to be imported, sent, taken or transported into any province from or out of any place within or without Canada, any intoxicating liquor, except such as has been purchased by or on behalf of, and which is consigned to His Majesty or the Executive Government of the province into which it is being imported, sent, taken or transported, or any board, commission, officer or other governmental agency which, by the law of the province, is vested with the right of selling intoxicating liquor."

The changes are underlined in the text of the Bill.

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 3.

An Act to amend The Importation of Intoxicating Liquors Act.

1928, c. 31.

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Importation into province forbidden unless consigned to His Majesty, the Executive Government or commission, etc.

"**3.** (1) Notwithstanding the provisions of any other Act or law, no person shall import, send, take or transport, or cause to be imported, sent, taken or transported into any province from or out of any place within or without Canada, any intoxicating liquor, except such as has been purchased by or on behalf of, or which is consigned to His Majesty or the Executive Government of the province into which it is being imported, sent, taken or transported, or any board, commission, officer or other governmental or other agency which, by the law of the province, is vested with the right of selling intoxicating liquor."

Explanatory Note.

These amendments are recommended by the Department of the Attorney General of Ontario. That Department states that there are certain Ontario breweries which enjoy sales of beer in the Province of Quebec, and that quantities of beer are shipped from Ontario, not to the Quebec Liquor Commission, but to the various licensees holding licences from the Quebec Liquor Commission, such as grocers, tavern keepers, innkeepers, hotel keepers, etc. Beer is intoxicating liquor within the meaning of the Importation of Intoxicating Liquors Act, and, as the beer is consigned, not to the Executive Government of the Province of Quebec, or to the Quebec Liquor Commission, a technical contravention of section 3 of the statute is taking place. The effect of the amendments will be to authorize shipments to other agencies which by the law of the Province are vested with the right of selling intoxicating liquor.

1. The subsection to be repealed and re-enacted reads as follows:—

"**3.** (1) Notwithstanding the provisions of any other Act or law, no person shall import, send, take or transport, or cause to be imported, sent, taken or transported into any province from or out of any place within or without Canada, any intoxicating liquor, except such as has been purchased by or on behalf of, and which is consigned to His Majesty or the Executive Government of the province into which it is being imported, sent, taken or transported, or any board, commission, officer or other governmental agency which, by the law of the province, is vested with the right of selling intoxicating liquor."

The changes are underlined in the text of the Bill.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 4.

An Act respecting the Bureau for Translations.

First reading, January 29, 1934.

The SECRETARY OF STATE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
69301 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 4.

An Act respecting the Bureau for Translations.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Short title.

1. This Act may be cited as the Translation Bureau Act.

Definitions.

"Bureau."

"Minister."

"Regulation."

2. In this Act, unless the context otherwise requires,

(a) "Bureau" means the Bureau for Translations constituted under the provisions of this Act;

(b) "Minister" means the Secretary of State of Canada, or such other Minister of the Crown as may from time to time be appointed by the Governor in Council to administer this Act;

(c) "regulation" means any rule or regulation made by the Minister and approved by order of the Governor in Council under the authority of this Act.

Bureau for Translations.

3. (1) There shall be a Bureau under the Minister, to be called the Bureau for Translations, the duties and function of which shall be to collaborate with and act for all departments of the Public Service, and both Houses of the Parliament of Canada and all bureaus, branches, commissions and agencies created or appointed by Act of Parliament, or by order of the Governor in Council, in making and revising all translations from one language into another of all departmental and other reports, documents, debates, bills, Acts, proceedings and correspondence.

All departments to collaborate.

(2) It shall be the duty of all departments of the Public Service and all such branches, commissions and agencies as aforesaid to collaborate with the Bureau in carrying into effect the provisions of this Act and the regulations made thereunder.

Explanatory Notes.

In January last it was ascertained that there are employed in the public service 91 Translators from English into French and from French into English, and one Translator in the Department of the Secretary of State who translates foreign languages into English and French for all departments of the public service.

These 91 Translators do not include the ordinary secretarial and stenographic services of the several departments, who are exclusively employed in conducting English and French correspondence in those departments.

The existing translation service has developed without systematic direction or control; and it is desirable in the interests of efficiency and economy that it should now be organized and the work of translating so distributed that no translator shall be idle or overworked, under paid or over paid.

The salaries of these 91 Translators amount to $252,000 annually; and yet the Department of the Secretary of State has frequently to procure assistance from outside the public service for the translation, for example, of the annual address of His Excellency the Governor, for the translation of conventions and agreements with Foreign Governments and important inter-dominion documents, Reports of Royal Commissions, etc., which are necessarily made available to the public in both English and French.

It has been deemed advisable therefore that a Translation Bureau should be organized forthwith, to which should be transferred all officials and employees now engaged in the work of translating laws, bills, debates, departmental and other reports and other public documents; that this Bureau should be under the supervision and control of a Superintendent; that this Bureau should be attached to the Department of the Secretary of State, and that its officers and employees should hereafter be subject to the provisions of the *Civil Service Act*.

It is believed that the organization and administration of the proposed Bureau for Translations will result in improved efficiency and a considerable saving of public funds.

Officers and employees may be transferred.

4. (1) All officers and employees who are employed in the Public Service or in any department or branch of the Public Service, including all employees of the Senate and House of Commons of Canada, who are chiefly engaged as translators or in the work of translating departmental and other reports, documents, debates, bills, Acts, proceedings and correspondence, including the translation into either the English or French language of the debates and proceedings of the Senate and House of Commons, may be transferred to the Bureau as herein provided, and such officers and employees shall thereafter be subject to the provisions of the *Civil Service Act*.

R.S., c. 22.

Minister to designate employees to be transferred.

(2) The Minister may from time to time designate such translators or other employees in the Public Service or in any department or branch of the Public Service as he may deem necessary for carrying into effect the provisions of this Act, and the Governor in Council may, from time to time, transfer to the Bureau any of the said translators, or other employees so designated.

Appointment and duties of Superintendent of Bureau.

5. (1) An officer to be called the Superintendent of the Bureau for Translations shall be appointed under the *Civil Service Act*, who shall hold office during pleasure, and whose duties shall be to supervise and control the Bureau under the direction of the Minister, and to report annually to the Minister with regard to the work of the Bureau during the preceding fiscal year.

Appointment of other officers, clerks and employees.

(2) Such other officers, translators, clerks or other employees as are from time to time necessary for the proper conduct of the business of the Bureau, may be appointed under the provisions of the *Civil Service Act*, and shall hold office during pleasure.

Regulations.

6. (1) The Minister, with the approval of the Governor in Council, may make all regulations which are by him deemed necessary or expedient for carrying into effect the provisions of this Act.

Force and effect of.

(2) Any such regulation so approved by the Governor in Council in pursuance of this Act shall be of the same force and effect as if it had been enacted herein.

Oaths.

7. (1) Every officer, translator, clerk or other person employed in the execution of any duty or function under this Act or under any regulation made in pursuance thereof, before entering on his duties, shall take and subscribe the oath of allegiance and also the following oath:—

I, ... solemnly swear that I will faithfully and honestly fulfil my duties as..... in conformity with the requirements of the Translation Bureau Act and of all orders in council, regulations and

instructions issued in pursuance thereof, and that I will not, without due authority in that behalf, disclose or make known any matter or thing which comes to my knowledge by reason of my employment as such.....

..... 5

How to be taken.

(2) The said oaths shall be taken before such person, and returned and recorded in such manner as the Minister shall prescribe.

Enforcement of Act.

8. This Act shall come into force on a date to be fixed by Proclamation of the Governor in Council. 10

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 4.

An Act respecting the Bureau for Translations.

AS PASSED BY THE HOUSE OF COMMONS,
28th MAY, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74400 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 4.

An Act respecting the Bureau for Translations.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Short title.

1. This Act may be cited as the Translation Bureau Act.

Definitions. "Bureau." "Minister." "Regulation."

2. In this Act, unless the context otherwise requires,

(a) "Bureau" means the Bureau for Translations constituted under the provisions of this Act;

(b) "Minister" means the Secretary of State of Canada, or such other Minister of the Crown as may from time to time be appointed by the Governor in Council to administer this Act;

(c) "regulation" means any rule or regulation made by the Minister and approved by order of the Governor in Council under the authority of this Act.

Bureau for Translations.

3. (1) There shall be a Bureau under the Minister, to be called the Bureau for Translations, the duties and function of which shall be to collaborate with and act for all departments of the Public Service, and both Houses of the Parliament of Canada and all bureaus, branches, commissions and agencies created or appointed by Act of Parliament, or by order of the Governor in Council, in making and revising all translations from one language into another of all departmental and other reports, documents, debates, bills, Acts, proceedings and correspondence.

All departments to collaborate.

(2) It shall be the duty of all departments of the Public Service and all such branches, commissions and agencies as aforesaid to collaborate with the Bureau in carrying into effect the provisions of this Act and the regulations made thereunder.

Explanatory Notes.

In January last it was ascertained that there are employed in the public service 91 Translators from English into French and from French into English, and one Translator in the Department of the Secretary of State who translates foreign languages into English and French for all departments of the public service.

These 91 Translators do not include the ordinary secretarial and stenographic services of the several departments, who are exclusively employed in conducting English and French correspondence in those departments.

The existing translation service has developed without systematic direction or control; and it is desirable in the interests of efficiency and economy that it should now be organized and the work of translating so distributed that no translator shall be idle or overworked, under paid or over paid.

The salaries of these 91 Translators amount to $252,000 annually; and yet the Department of the Secretary of State has frequently to procure assistance from outside the public service for the translation, for example, of the annual address of His Excellency the Governor, for the translation of conventions and agreements with Foreign Governments and important inter-dominion documents, Reports of Royal Commissions, etc., which are necessarily made available to the public in both English and French.

It has been deemed advisable therefore that a Translation Bureau should be organized forthwith, to which should be transferred all officials and employees now engaged in the work of translating laws, bills, debates, departmental and other reports and other public documents; that this Bureau should be under the supervision and control of a Superintendent; that this Bureau should be attached to the Department of the Secretary of State, and that its officers and employees should hereafter be subject to the provisions of the *Civil Service Act*.

It is believed that the organization and administration of the proposed Bureau for Translations will result in improved efficiency and a considerable saving of public funds.

Officers and employees may be transferred.

4. (1) All officers and employees who are employed in the Public Service or in any department or branch of the Public Service, including all employees of the Senate and House of Commons of Canada, who are chiefly engaged as translators or in the work of translating departmental and other reports, documents, debates, bills, Acts, proceedings and correspondence, including the translation into either the English or French language of the debates and proceedings of the Senate and House of Commons, may be transferred to the Bureau as herein provided, and such officers and employees shall thereafter be subject to the provisions of the *Civil Service Act*.

R.S., c. 22.

Minister to designate employees to be transferred.

(2) The Minister may from time to time designate such translators or other employees in the Public Service or in any department or branch of the Public Service as he may deem necessary for carrying into effect the provisions of this Act, and the Governor in Council may, from time to time, transfer to the Bureau any of the said translators, or other employees so designated.

Appointment and duties of Superintendent of Bureau.

5. (1) An officer to be called the Superintendent of the Bureau for Translations shall be appointed under the *Civil Service Act*, who shall hold office during pleasure, and whose duties shall be to supervise and control the Bureau under the direction of the Minister, and to report annually to the Minister with regard to the work of the Bureau during the preceding fiscal year.

Appointment of other officers, clerks and employees.

(2) Such other officers, translators, clerks or other employees as are from time to time necessary for the proper conduct of the business of the Bureau, may be appointed under the provisions of the *Civil Service Act*, and shall hold office during pleasure.

Regulations.

6. (1) The Minister, with the approval of the Governor in Council, may make all regulations which are by him deemed necessary or expedient for carrying into effect the provisions of this Act.

Force and effect of.

(2) Any such regulation so approved by the Governor in Council in pursuance of this Act shall be of the same force and effect as if it had been enacted herein.

Oaths.

7. (1) Every officer, translator, clerk or other person employed in the execution of any duty or function under this Act or under any regulation made in pursuance thereof, before entering on his duties, shall take and subscribe the oath of allegiance and also the following oath:—

I, ... solemnly swear that I will faithfully and honestly fulfil my duties as..... in conformity with the requirements of the Translation Bureau Act and of all orders in council, regulations and

instructions issued in pursuance thereof, and that I will not, without due authority in that behalf, disclose or make known any matter or thing which comes to my knowledge by reason of my employment as such.....

..... 5

How to be taken.

(2) The said oaths shall be taken before such person, and returned and recorded in such manner as the Minister shall prescribe.

Enforcement of Act.

8. This Act shall come into force on a date to be fixed by Proclamation of the Governor in Council. 10

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 5.

An Act to amend the Criminal Code (Appeals)

First reading, January 31, 1934.

Mr. BURY.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74655 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 5.

An Act to amend the Criminal Code (Appeals).

R.S., c. 36; 1930, c. 11; 1931, c. 28; 1932, cc. 7, 8, 9 and 28; 1932-33, cc. 25, 53.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Paragraph *(c)* of section seven hundred and fifty of the *Criminal Code*, chapter thirty-six of the Revised Statutes of Canada, 1927, is repealed, and the following is substituted therefor:—

Applicant remains in custody or gives recognizance or makes deposit in court.

"*(c)* the appellant, if the appeal is from a conviction or order adjudging imprisonment, shall either remain in custody until the holding of the court to which the appeal is given, or shall within the time limited for filing a notice of intention to appeal, enter into a recognizance in form fifty-one with two sufficient sureties before a county judge, clerk of the peace or justice for the county in which such conviction or order has been made, conditioned personally to appear at the said court and try such appeal, and to abide the judgment of the court thereupon, and to pay such costs as are awarded by the court; or if the appeal is from a conviction or order whereby a penalty or sum of money is adjudged to be paid, the appellant shall within the time limited for filing the notice of intention to appeal, in cases in which imprisonment upon default of payment is directed either remain in custody until the holding of the court to which the appeal is given, or enter into a recognizance in form fifty-one with two sufficient sureties as hereinbefore set out, or deposit with the justice making the conviction or order an amount sufficient to cover the sum so adjudged to be paid, together with such further amount as such justice deems sufficient to cover the costs of the appeal; and, in cases in which imprisonment in default of payment

Explanatory Note.

1. The only change in paragraph *(c)* consists in the insertion of the words underlined on page 2.

is not directed, enter into a recognizance in form fifty-one with two sufficient sureties, as hereinbefore set out, or deposit with such justice an amount sufficient to cover the sum so adjudged to be paid, together with such further amount as such justice deems sufficient to cover the costs of the appeal; and upon such recognizance being entered into or deposit made the justice before whom such recognizance is entered into or deposit made shall liberate such person if in custody;"

2. Section seven hundred and fifty is further amended by adding thereto, immediately after paragraph *(f)* thereof the following paragraph:—

Right of appeal to continue to expiration of time for filing notice.

"*(g)* No person shall be deemed to have waived the right to appeal provided by the section next hereto preceding merely by reason of not having in any way indicated an intention to appeal; but the right to appeal so provided shall, notwithstanding his failure to indicate such intention, be deemed to continue up to the expiration of the time (or any extension thereof) for filing the notice hereinbefore required."

2. Paragraph *(g)* is new.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 6.

An Act to amend the Meat and Canned Foods Act.

First reading, February 1, 1934.

The Acting MINISTER OF FISHERIES.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74387 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 6.

An Act to amend the Meat and Canned Foods Act.

R.S., c. 77.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section twenty-seven of the *Meat and Canned Foods Act*, chapter seventy-seven of the Revised Statutes of Canada, 1927, is hereby repealed and the following substituted therefor:—

When liable to seizure.

"**27.** Any can of fish or shellfish that bears any false or misleading mark or that is incorrectly labelled or marked and not in accordance with the provisions of this Act or of the regulations made thereunder, shall be confiscated to His Majesty and may be seized and confiscated, on view, by any inspector, or by any customs, excise or police officer or by any constable, provided that persons aggrieved by any such confiscation may appeal by petition to the Minister, who may remit the confiscation on such terms and conditions as he may prescribe."

Explanatory Note.

Section 27 at present reads as follows:—

"**27.** Any can of fish or shellfish not labelled or marked in accordance with the provisions of this Act or of the regulations *before being offered or exposed for sale by retail* shall be *forfeited* to His Majesty, and may be seized by any inspector, or by any customs, excise or police officer, or by any constable."

Under this provision, even if cans are wrongly labelled, they cannot be interfered with until they are offered for sale in a retail way. While this enables preventing the sale to consumers in Canada of wrongly labelled goods, it does not enable preventing incorrect labelling for export. Also it would be better even in the home market to prevent any trafficking in such goods.

While section 19 of this Act makes it illegal to place any false or misleading mark on a can of fish or shellfish, the only penalty involved is a fine; but in order to protect the industry it is necessary to prevent wrongly labelled goods being sold either in the local or foreign markets.

In some instances final confiscation might be too severe a penalty. Hence the provision for appeal to the Minister.

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 6.

An Act to amend the Meat and Canned Foods Act.

AS PASSED BY THE HOUSE OF COMMONS,
15th JUNE, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74393 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 6.

An Act to amend the Meat and Canned Foods Act.

R.S., c. 77.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section twenty-seven of the *Meat and Canned Foods Act*, chapter seventy-seven of the Revised Statutes of Canada, 1927, is hereby repealed and the following substituted therefor:—

When liable to seizure.

"**27.** Any can of fish or shellfish that bears any false or misleading mark or that is incorrectly labelled or marked and not labelled or marked in accordance with this Act or of the regulations made thereunder, may be seized by any inspector, or by any customs, excise or police officer or by any constable, and shall be confiscated to His Majesty by any two justices of the peace or by any magistrate having the powers of two justices of the peace, if it is found that the label or marking is intended or calculated to deceive."

Explanatory Note.

Section 27 at present reads as follows:—

"**27.** Any can of fish or shellfish not labelled or marked in accordance with the provisions of this Act or of the regulations before being offered or exposed for sale by retail shall be forfeited to His Majesty, and may be seized by any inspector, or by any customs, excise or police officer, or by any constable."

Under this provision, even if cans are wrongly labelled, they cannot be interfered with until they are offered for sale in a retail way. While this enables preventing the sale to consumers in Canada of wrongly labelled goods, it does not enable preventing incorrect labelling for export. Also it would be better even in the home market to prevent any trafficking in such goods.

While section 19 of this Act makes it illegal to place any false or misleading mark on a can of fish or shellfish, the only penalty involved is a fine; but in order to protect the industry it is necessary to prevent wrongly labelled goods being sold either in the local or foreign markets.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 7.

An Act to amend The Fisheries Act, 1932.

First reading, February 1, 1934.

The Acting MINISTER OF FISHERIES.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74389 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 7.

An Act to amend The Fisheries Act, 1932.

1932, c. 42.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The first two lines of subsection five of section fifty-six of *The Fisheries Act, 1932*, chapter forty-two of the statutes of 1932 are repealed and the following are substituted therefor:—

Regulations.

"(5) Regulations may be made under the provisions of section thirty-four of this Act."—

Explanatory Note.

1. The only change is to substitute the underlined words "thirty-four" for the words "thirty-three" in the second line of the subsection, to correct the reference.

When this Act was before Parliament a section was added after section 31. In renumbering the following sections of the Bill what was section 33 became section 34, but the reference to this section in subsection (5) of section 56 was not changed when the Act was printed.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 7.

An Act to amend The Fisheries Act, 1932.

AS PASSED BY THE HOUSE OF COMMONS,
23rd FEBRUARY, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74398 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 7.

An Act to amend The Fisheries Act, 1932.

1932, c. 42.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The first two lines of subsection five of section fifty-six of *The Fisheries Act, 1932*, chapter forty-two of the statutes of 1932 are repealed and the following are substituted therefor:—

Regulations.

"(5) Regulations may be made under the provisions of section thirty-four of this Act."—

Explanatory Note.

1. The only change is to substitute the underlined words "thirty-four" for the words "thirty-three" in the second line of the subsection, to correct the reference.

When this Act was before Parliament a section was added after section 31. In renumbering the following sections of the Bill what was section 33 became section 34, but the reference to this section in subsection (5) of section 56 was not changed when the Act was printed.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 8.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

First reading, February 6, 1934.

The MINISTER OF PUBLIC WORKS.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
69785 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 8.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

1920, c. 15; 1924, c. 59; 1925, c. 21; 1931, c. 43; 1932, c. 11. 1932-33, c. 17.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Agreement with City of Ottawa extended for one year.

1. The Minister of Public Works may on behalf of His Majesty the King enter into an agreement with the Corporation of the City of Ottawa, hereinafter called "the Corporation", extending for a period of one year from the first day of July, 1933, the provisions of the existing agreement between His Majesty the King and the Corporation, dated the thirtieth day of March, 1920, which last mentioned agreement as amended was extended to the first day of July, 1933, under the authority of chapter seventeen of the statutes of 1932-33.

Explanatory Note.

The operation of the agreement with the City of Ottawa of 30th March, 1920, was extended for one year by chapter 59 of the statutes of 1924. The agreement itself is set out in full as a schedule to chapter 15 of the statutes of 1920.

In chapter 21 of the statutes of 1925, the period of the agreement was extended for five years, to 1st July, 1930, and the Minister was empowered to agree on behalf of His Majesty to pay to the Corporation annually the sum of $100,000 during the said period of five years from 1st July, 1925, instead of the annual sum of $75,000 as provided for in the said agreement. By chapter 43 of the statutes of 1931, the period of the agreement was extended for one year to 1st July, 1931; by chapter 11 of the statutes of 1932, it was further extended to 1st July, 1932; and to 1st July, 1933, by chapter 17 of the statutes of 1932-33.

The present object is to extend the agreement for one year.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 8.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

AS PASSED BY THE HOUSE OF COMMONS, 22nd FEBRUARY, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJES
69787 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 8.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

1920, c. 15; 1924, c. 59; 1925, c. 21; 1931, c. 43; 1932, c. 11. 1932-33, c. 17.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Agreement with City of Ottawa extended for one year.

1. The Minister of Public Works may on behalf of His Majesty the King enter into an agreement with the Corporation of the City of Ottawa, hereinafter called "the Corporation", extending for a period of one year from the first day of July, 1933, the provisions of the existing agreement between His Majesty the King and the Corporation, dated the thirtieth day of March, 1920, which last mentioned agreement as amended was extended to the first day of July, 1933, under the authority of chapter seventeen of the statutes of 1932-33.

Explanatory Note.

The operation of the agreement with the City of Ottawa of 30th March, 1920, was extended for one year by chapter 59 of the statutes of 1924. The agreement itself is set out in full as a schedule to chapter 15 of the statutes of 1920.

In chapter 21 of the statutes of 1925, the period of the agreement was extended for five years, to 1st July, 1930, and the Minister was empowered to agree on behalf of His Majesty to pay to the Corporation annually the sum of $100,000 during the said period of five years from 1st July, 1925, instead of the annual sum of $75,000 as provided for in the said agreement. By chapter 43 of the statutes of 1931, the period of the agreement was extended for one year to 1st July, 1931; by chapter 11 of the statutes of 1932, it was further extended to 1st July, 1932; and to 1st July, 1933, by chapter 17 of the statutes of 1932-33.

The present object is to extend the agreement for one year.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 9.

An Act to incorporate The Bishop of the Arctic.

First reading, February 9, 1934.

(PRIVATE BILL)

MR. GEARY.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74348 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 9.

An Act to incorporate The Bishop of the Arctic.

Preamble.

WHEREAS by resolution of the Provincial Synod of the Ecclesiastical Province of Rupert's Land, passed on or about the fifteenth day of September one thousand nine hundred and thirty-three, a new diocese of the Church of England in Canada in the Ecclesiastical Province of Rupert's Land was formed and named the "Diocese of the Arctic" and includes all islands in the most northerly part of Canada, and that part of the mainland of Canada lying between the Arctic Ocean and the following boundary line:—Beginning at the point where the boundary line between Alaska and Yukon meets the shore of the Arctic Ocean, follow that boundary southward to the height of land in the coast range. Follow this height of land eastward to the boundary line between Yukon and the Northwest Territories. Then follow this boundary line southward to the Arctic Circle. Then follow the Arctic Circle eastward to the 110° west longitude. Then follow this degree southward to the 65th parallel of north latitude. Then follow this 65th parallel of north latitude eastward to the 100° of west longitude. Then follow this degree of longitude southward to the northern boundary line of the province of Manitoba. Then follow the northern boundary line of the province of Manitoba eastward to the shore line of the Hudson's Bay. Then follow a line eastward and southward through Hudson's Bay to the point where the 53rd parallel of north latitude meets the eastern shore of James Bay. Then follow this 53rd parallel of north latitude eastward to the point where it crosses the boundary line between the province of Quebec and Labrador. Then follow the boundary line between the province of Quebec and Labrador northward to the southern shore of Hudson's Straits; and which diocese includes the northern portions of the dioceses of Moosonee, Keewatin, Mackenzie River and Yukon respectively; and whereas The Right Reverend Archibald Lang Fleming has been duly elected as the first Bishop of the said Diocese of the Arctic;

and whereas no synod or assembly, convocation or other body comprising representatives of the clergy and laity therein has as yet been convened or organized; and whereas it is expedient that provision should be made for the management and control of the property, affairs and interests of the said Church in matters relating to and affecting only the said Church in the Diocese of the Arctic and the officers and members thereof; and whereas there are lands and other property held by the Bishop or Synod of the dioceses of Moosonee, Keewatin, Mackenzie River and the Yukon respectively, which are or may be situate within the limits of the Diocese of the Arctic as now or hereafter defined or which it may be desired to transfer to the Bishop of the Diocese of the Arctic for the purposes of the work of the said Church within the Diocese of the Arctic; and whereas it is desirable that the Bishop of the Arctic and his successors in office should be incorporated and authorized to acquire and hold and otherwise deal with the said lands and other property and that authority should be given for the management and disposal of the money, funds and other property, real and personal, now or hereafter acquired for the use or support of the work of the said Church in the said Diocese of the Arctic; and whereas the aforementioned The Right Reverend Archibald Lang Fleming has prayed for an Act of incorporation, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the consent of the Senate and House of Commons of Canada, enacts as follows:—

Incorporation.

1. The Bishop of the Arctic and his successors in office are incorporated for the purposes mentioned in the preamble under the name of "The Bishop of the Arctic" hereinafter called "the Corporation" with all the powers and privileges contained in section thirty of chapter one of the Revised Statutes of Canada, 1927.

Power to hold Property.

2. The Corporation may receive and hold by purchase or otherwise property of any kind for the uses and purposes of the Church of England in Canada in the said Diocese of the Arctic, including the uses and purposes of any parish, mission, institution, college, school or hospital now or hereafter connected with the Church of England in Canada, and may receive any devise by will, gift, deed or conveyance of land or any estate or interest therein, and sell, alienate, mortgage or lease any lands, tenements and hereditaments held by it, whether by way of investment for the uses and purposes hereinbefore mentioned or otherwise.

Investment Powers.

3. The Corporation may invest its funds and moneys, including the Episcopal Endowment Fund in,

Government Securities.

(a) Government securities of the United Kingdom of Great Britain or of Dominion of Canada, or in the funds, bonds or debentures of any of the provinces of Canada, or

Mortgages.

(b) First mortgages on improved freehold property in Canada and for the purposes of such investments may take mortgages or assignments thereof, whether such mortgages or assignments are made directly to it in its own corporate name, or to some company or person in trust for it, and may sell and assign the same.

General Synod of Canada.

4. The Corporation may and is hereby empowered from time to time to transfer its funds, moneys and securities to the General Synod of the Church of England in Canada or to the Missionary Society of the Church of England in Canada, to be managed, collected and invested by said General Synod or by the said Missionary Society for the benefit of the said The Corporation.

Executive Committee

5. The Corporation may exercise all its powers by and through an executive committee or such boards or committees as the Bishop from time to time appoints for the management of any of the affairs of the said bishopric, but in accordance only with the trusts relating to any property upon or for which the same is held.

Application of Dominion and Provincial mortmain laws.

6. In regard to any real propety which, by reason of its situation or otherwise, is subject to the legislative authority of the Parliament of Canada, a licence in mortmain shall not be necessary for the exercise of the powers granted by this Act; but otherwise the exercise of the said powers shall in any province of Canada be subject to the laws of such province as to the acquisition and holding of lands by religious corporations, in so far as such laws apply to the Corporation.

Execution of documents.

7. Instruments executed by the Corporation shall be attested by the seal and signature of the Bishop of the Arctic or his commissary for that purpose by him in writing appointed.

Transfer by Bishops of Moosonee, Keewatin, Mackenzie River and Yukon.

8. The Corporation may receive and hold any moneys, property or assets transferred or conveyed to the Corporation by the Bishops or synods of Moosonee, Keewatin, Mackenzie River and Yukon respectively, or other person or persons on any of the trusts or for any of the purposes aforesaid, and may hold the same to and upon the trusts, uses and purposes which theretofore attached to them; and upon such transfer the said Bishop or synods, respectively, shall be freed from any and all liability arising from the future execution of the said trusts.

Transfer of property held in trust.

9. The Corporation may transfer any property held in trust by it for any eleemosynary, ecclesiastical or educational use of the Church of England in Canada in the Diocese of the Arctic, or for any of the purposes herein set forth, to the Synod of the Diocese of the Arctic, as hereby constituted and incorporated, to be held by the said Synod in trust for the same uses and purposes.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 9.

An Act to incorporate The Bishop of the Arctic of the Church of England in Canada.

AS PASSED BY THE HOUSE OF COMMONS, 23rd MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1934

74354

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 9.

An Act to incorporate The Bishop of the Arctic of the Church of England in Canada.

Preamble.

WHEREAS by resolution of the Provincial Synod of the Ecclesiastical Province of Rupert's Land, passed on or about the fifteenth day of September one thousand nine hundred and thirty-three, a new diocese of the Church of England in Canada in the Ecclesiastical Province of Rupert's Land was formed and named the "Diocese of the Arctic" and includes all islands in the most northerly part of Canada, and that part of the mainland of Canada lying between the Arctic Ocean and the following boundary line:—Beginning at the point where the boundary line between Alaska and Yukon meets the shore of the Arctic Ocean, follow that boundary southward to the height of land in the coast range. Follow this height of land eastward to the boundary line between Yukon and the Northwest Territories. Then follow this boundary line southward to the Arctic Circle. Then follow the Arctic Circle eastward to the 110° west longitude. Then follow this degree southward to the 65th parallel of north latitude. Then follow this 65th parallel of north latitude eastward to the 100° of west longitude. Then follow this degree of longitude southward to the northern boundary line of the province of Manitoba. Then follow the northern boundary line of the province of Manitoba eastward to the shore line of the Hudson's Bay. Then follow a line eastward and southward through Hudson's Bay to the point where the 53rd parallel of north latitude meets the eastern shore of James Bay. Then follow this 53rd parallel of north latitude eastward to the point where it intersects the boundary line between the province of Quebec and Labrador. Then follow the boundary line between the province of Quebec and Labrador northward to the southern shore of Hudson's Straits; and which diocese includes the northern portions of the dioceses of Moosonee, Keewatin, Mackenzie River and Yukon respectively; and whereas The Right Reverend Archibald Lang Fleming has been duly elected as the first Bishop of the said Diocese of the Arctic;

and whereas no synod or assembly, convocation or other body comprising representatives of the clergy and laity therein has as yet been convened or organized; and whereas it is expedient that provision should be made for the management and control of the property, affairs and interests of the said Church in matters relating to and affecting only the said Church in the Diocese of the Arctic and the officers and members thereof; and whereas there are lands and other property held by the Bishop or Synod of the dioceses of Moosonee, Keewatin, Mackenzie River and the Yukon respectively, which are or may be situate within the limits of the Diocese of the Arctic as now or hereafter defined or which it may be desired to transfer to the Bishop of the Diocese of the Arctic for the purposes of the work of the said Church within the Diocese of the Arctic; and whereas it is desirable that the Bishop of the Arctic and his successors in office should be incorporated and authorized to acquire and hold and otherwise deal with the said lands and other property and that authority should be given for the management and disposal of the money, funds and other property, real and personal, now or hereafter acquired for the use or support of the work of the said Church in the said Diocese of the Arctic; and whereas the aforementioned The Right Reverend Archibald Lang Fleming has prayed for an Act of incorporation, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the consent of the Senate and House of Commons of Canada, enacts as follows:—

Incorporation.

1. The Bishop of the Arctic of the Church of England in Canada and his successors in office are incorporated for the purposes mentioned in the preamble under the name of "The Bishop of the Arctic" hereinafter called "the Corporation" with all the powers and privileges contained in section thirty of chapter one of the Revised Statutes of Canada, 1927.

Power to hold Property.

2. The Corporation may receive and hold by purchase or otherwise property of any kind for the uses and purposes of the Church of England in Canada in the said Diocese of the Arctic, including the uses and purposes of any parish, mission, institution, college, school or hospital now or hereafter connected with the Church of England in Canada, and may receive any devise by will, gift, deed or conveyance of land or any estate or interest therein, and sell, alienate, mortgage or lease any lands, tenements and hereditaments held by it, whether by way of investment for the uses and purposes hereinbefore mentioned or otherwise.

Investment Powers.

3. The Corporation may invest its funds and moneys, including the Episcopal Endowment Fund in,

Government Securities.

(a) Government securities of the United Kingdom of Great Britain or of Dominion of Canada, or in the funds, bonds or debentures of any of the provinces of Canada, or

Mortgages.

(b) First mortgages on improved freehold property in Canada and for the purposes of such investments may take mortgages or assignments thereof, whether such mortgages or assignments are made directly to it in its own corporate name, or to some company or person in trust for it, and may sell and assign the same.

General Synod of Canada.

4. The Corporation may and is hereby empowered from time to time to transfer its funds, moneys and securities to the General Synod of the Church of England in Canada or to the Missionary Society of the Church of England in Canada, to be managed, collected and invested by said General Synod or by the said Missionary Society for the benefit of the said The Corporation.

Executive Committee

5. The Corporation may exercise all its powers by and through an executive committee or such boards or committees as the Bishop from time to time appoints for the management of any of the affairs of the said bishopric, but in accordance only with the trusts relating to any property upon or for which the same is held.

Application of Dominion and Provincial mortmain laws.

6. In regard to any real propety which, by reason of its situation or otherwise, is subject to the legislative authority of the Parliament of Canada, a licence in mortmain shall not be necessary for the exercise of the powers granted by this Act; but otherwise the exercise of the said powers shall in any province of Canada be subject to the laws of such province as to the acquisition and holding of lands by religious corporations, in so far as such laws apply to the Corporation.

Execution of documents.

7. Instruments executed by the Corporation shall be attested by the seal and signature of the Bishop of the Arctic or his commissary for that purpose by him in writing appointed.

Transfer by Bishops of Moosonee, Keewatin, Mackenzie River and Yukon.

8. The Corporation may receive and hold any moneys, property or assets transferred or conveyed to the Corporation by the Bishops or synods of Moosonee, Keewatin, Mackenzie River and Yukon respectively, or other person or persons on any of the trusts or for any of the purposes aforesaid, and may hold the same to and upon the trusts, uses and purposes which theretofore attached to them; and upon such transfer the said Bishop or synods, respectively, shall be freed from any and all liability arising from the future execution of the said trusts.

Transfer of property held in trust.

9. The Corporation may transfer any property held in trust by it for any eleemosynary, ecclesiastical or educational use of the Church of England in Canada, in the Diocese of the Arctic of the Church of England in Canada, or for any of the purposes herein set forth, to the said General Synod of Missionary Society of the Church of England in Canada in trust for the same uses and purposes.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 10.

An Act respecting a certain patent owned by The Firth-Brearley Stainless Steel Syndicate Limited.

First reading, February 9, 1934.

(PRIVATE BILL)

MR. KENNEDY
(Winnipeg South Centre)

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74347 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 10.

An Act respecting a certain patent owned by The Firth-Brearley Stainless Steel Syndicate Limited.

Preamble

WHEREAS The Firth-Brearley Stainless Steel Syndicate Limited of Sheffield, England, has by its petition represented that it is the owner of Canadian patent No. 193550 for an improved process of producing malleable steel; that, prior to 1933, no application for a grant of a licence under the said patent had been received from anyone in the Dominion of Canada; that the said patent expired on August 31, 1933; that the petitioners desire to have the life of the said patent restored and revived, and extended for six years, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Patent extended for six years

1. Notwithstanding anything contained in the *Patent Act*, chapter sixty-nine of the Revised Statutes of Canada, 1906, and its amendments, or in the *Patent Act*, chapter one hundred and fifty of the Revised Statutes of Canada, 1927, and its amendments, or in the patent referred to in the preamble to this Act, the said patent is hereby restored and revived and is extended for a period of six years from the thirty-first day of August, one thousand nine hundred and thirty-three.

Rights saved

2. If between the date on which the patent designated in the preamble to this Act expired and the 23rd day of December, 1933, any person commenced in Canada to construct, manufacture, use or sell the invention covered by the said patent, that person may continue to construct, manufacture, use or sell that invention in as full and ample a manner as if this Act had not been passed; Provided that this section shall not apply to any person who may have so used such invention with the authorization of the patentee or its assigns.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 10.

An Act respecting a certain patent owned by The Firth-Brearley Stainless Steel Syndicate Limited.

AS PASSED BY THE HOUSE OF COMMONS, 9th MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74353 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 10.

An Act respecting a certain patent owned by The Firth-Brearley Stainless Steel Syndicate Limited.

Preamble

WHEREAS The Firth-Brearley Stainless Steel Syndicate Limited of Sheffield, England, has by its petition represented that it is the owner of Canadian patent No. 193550 for an improved process of producing malleable steel; that, prior to 1933, no application for a grant of a licence under the said patent had been received from anyone in the Dominion of Canada; that the said patent expired on August 31, 1933; that the petitioners desire to have the life of the said patent restored and revived, and extended for six years, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Patent extended for six years

1. Notwithstanding anything contained in the *Patent Act*, chapter sixty-nine of the Revised Statutes of Canada, 1906, and its amendments, or in the *Patent Act*, chapter one hundred and fifty of the Revised Statutes of Canada, 1927, and its amendments, or in the patent referred to in the preamble to this Act, the said patent is hereby restored and revived and is extended for a period of six years from the thirty-first day of August, one thousand nine hundred and thirty-three.

Rights saved

2. If between the date on which the patent designated in the preamble to this Act expired and the 23rd day of December, 1933, any person commenced in Canada to construct, manufacture, use or sell the invention covered by the said patent, that person may continue to construct, manufacture, use or sell that invention in as full and ample a manner as if this Act had not been passed; Provided that this section shall not apply to any person who may have so used such invention with the authorization of the patentee or its assigns.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 11.

An Act respecting Prudential Trust Company, Limited.

First reading, February 12, 1934.

(PRIVATE BILL.)

Mr. BELL,
St. Antoine.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75093 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 11.

An Act respecting Prudential Trust Company, Limited.

Preamble.

1909, c. 124; 1922, c. 71; 1930, c. 70.

WHEREAS Prudential Trust Company, Limited, has by its petition prayed that the capital stock of that Company be reduced from two million dollars, divided into shares of twenty dollars each, to one million dollars, divided into shares of ten dollars each, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Capital stock reduced from two to one million dollars.

Shares reduced from $20 to $10.

Capital stock.

1. Section three of chapter one hundred and twenty-four of the statutes of 1909, as enacted by section one of chapter seventy-one of the statutes of 1922 and amended by section one of chapter seventy of the statutes of 1930, is hereby repealed and the following section is substituted therefor:—

"**3.** The capital stock of the Company shall consist of one million dollars divided into shares of ten dollars each."

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 11.

An Act respecting Prudential Trust Company, Limited

AS PASSED BY THE HOUSE OF COMMONS, 13th MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75095 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 11.

An Act respecting Prudential Trust Company, Limited.

Preamble.

1909, c. 124; 1922, c. 71; 1930, c. 70.

WHEREAS Prudential Trust Company, Limited, has by its petition prayed that the capital stock of that Company be reduced from two million dollars, divided into shares of twenty dollars each, to one million dollars, divided into shares of ten dollars each, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Capital stock reduced from two to one million dollars.

Shares reduced from $20 to $10.

Capital stock.

1. Section three of chapter one hundred and twenty-four of the statutes of 1909, as enacted by section one of chapter seventy-one of the statutes of 1922 and amended by section one of chapter seventy of the statutes of 1930, is hereby repealed and the following section is substituted therefor:—

"**3.** The capital stock of the Company shall consist of one million dollars divided into shares of ten dollars each."

Dividends.

2. No dividends on the capital stock of the Company shall be declared unless and until the aggregate of the paid capital and surplus amounts to at least the sum of two hundred and fifty thousand dollars.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 12.

An Act respecting patents on certain inventions of which Duplate Safety Glass Company of Canada, Limited, is entitled to the benefit.

First reading, February 12, 1934.

(PRIVATE BILL)

MR. LAWSON.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74865 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 12.

An Act respecting patents on certain inventions of which Duplate Safety Glass Company of Canada, Limited, is entitled to the benefit.

Preambule.

WHEREAS on various dates between the first day of May, 1928 and the 21st day of November, 1931, *Compagnies Réunies des Glaces et Verres Spéciaux du Nord de la France* and *Société Anonyme des Manufactures des Glaces et Produits Chimiques de St. Gobain, Chauny et Cirey*, applied in France for patents on certain inventions relating to tempered glass and processes and apparatus for the manufacture thereof; and whereas corresponding applications for patents were made in Great Britain between the 18th day of March, 1929 and the 21st day of November, 1932, and upon the said applications patents Nos. 310,838, 333,839, 333,843, 340,108, 341,218, 344,027, 352,359, 361,277, 361,278, 366,104, 366,476, 376,219, 385,843, 389,314 and 393,491 were issued from time to time between the 19th day of February, 1931 and the 8th day of June, 1933; and whereas Pilkington Brothers, Limited, of 703 Tower Building, Water Street, in the city of Liverpool, acquired exclusive rights under the said patents in Great Britain and also the right to obtain corresponding patents in Canada and to exercise or grant exclusive rights thereunder; and whereas corresponding patents in Canada were not applied for and the times limited by sections seven and eight of the *Patent Act* for applying for such patents have expired with respect to certain or all of the said inventions; and whereas Duplate Safety Glass Company of Canada, Limited, a corporation organized and existing under the laws of the Dominion of Canada, has entered into an agreement with Pilkington Brothers, Limited, whereby upon the grant of corresponding patents in Canada Pilkington Brothers, Limited, agree that Duplate Safety Glass Company of Canada, Limited, shall have an exclusive license under the said patents during the whole term thereof, and whereas Duplate Safety Glass

R.S., c. 150.
1930, c. 34, s. 1.

Company of Canada, Limited, proposes, if patents corresponding to the British patents aforesaid or the principal of them can be obtained in Canada, to establish a factory for the manufacture of tempered glass at the city of Oshawa in the province of Ontario, and it is desirable that a tempered glass industry should be established as aforesaid; and whereas Duplate Safety Glass Company of Canada, Limited, has prayed that it be enacted as hereinafter set out, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the consent of the Senate and House of Commons of Canada, enacts as follows:—

Power of Commissioner of Patents may grant patents.

1. If within three months from the passing of this Act application is made to the Commissioner of Patents for the grant of patents on the inventions described in the British patents hereinbefore referred to, the Commissioner shall consider and act upon the said applications notwithstanding any limitation of time contained in section seven of the *Patent Act.*

Effect of patent.

2. Any patent issued upon any such applications shall have effect as if it had been applied for before the expiration of a period of two years after the grant of the earliest patent on the same invention issued in any foreign country, and the rights thereby conferred shall expire at the expiration of eighteen years from the expiry of the said period of two years.

Rights saved.

3. If any person has before the thirtieth day of December, 1933, commenced in Canada the manufacture, use or sale of the invention described in any of the said patents, such person may, notwithstanding the issue of any patent pursuant to this Act, continue such manufacture, use and sale in as full and ample manner as if this Act had not been passed.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 13.

An Act respecting the Buffalo and Fort Erie Public Bridge Company.

First reading, February 13, 1934.

(PRIVATE BILL.)

Mr. STINSON.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74524 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 13.

An Act respecting the Buffalo and Fort Erie Public Bridge Company.

1923, c. 74.

Preamble.

WHEREAS by chapter seventy-four of the statutes of Canada, 1923, and by chapter three hundred and seventy-nine of the laws of the state of New York, 1922, two companies were incorporated under the name of Buffalo and Fort Erie Public Bridge Company, with authority to construct, maintain and operate a bridge across the Niagara River between the city of Buffalo, in the state of New York, and the village (now the town) of Fort Erie, in the province of Ontario, and by agreement dated thirteenth day of June, 1925, the said two companies were amalgamated and consolidated so as to form one and a new single company under the same name in accordance with, and subject to, the provisions of the said Acts of incorporation; and whereas for the purpose of the re-organization and refinancing of the said bridge undertaking upon a basis which will permit of a considerable reduction of fixed charges and consequent reduction of tolls now charged, by an Act of the Legislature of the state of New York, being chapter eight hundred and twenty-four of the laws of the said state for 1933, (hereinafter called "Act of Incorporation", and a copy of which is, for the information only of Parliament, attached as a Schedule hereto), a Board, known as the Buffalo and Fort Erie Public Bridge Authority, was created a body corporate and politic, constituting a public benefit corporation, with power to acquire, hold and manage on behalf of the state of New York and His Majesty the King the property and assets of the Buffalo and Fort Erie Public Bridge Company; and whereas by the Act of Incorporation it is provided that the said Board shall consist of nine members, six of whom are required to be citizens of the United States and residents of the state of New York, to be appointed and removed by the Governor of the said state, and three of whom are required to be residents of the Dominion of Canada, to be appointed and removed as may be determined by the

Government of the Dominion of Canada; and whereas the Buffalo and Fort Erie Public Bridge Company has by its petition requested that authority be granted to it to convey all its property and assets within the Dominion of Canada to the Buffalo and Fort Erie Public Bridge Authority: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Company may acquire and manage property and assets.

1. (1) Subject to the provisions of this Act, the Buffalo and Fort Erie Public Bridge Authority, created by the Act of Incorporation (hereinafter called "the Bridge Authority"), is hereby authorized and empowered to acquire, hold and manage, for and on behalf of His Majesty the King in the right of the Dominion of Canada, the property and assets within Canada of the Buffalo and Fort Erie Public Bridge Company; but without authority or capacity to enter into any obligation binding on His Majesty the King, or to incur or to suffer any liability in law or equity affecting His Majesty the King.

Transfer.

(2) The Buffalo and Fort Erie Public Bridge Company is hereby authorized and empowered to transfer and convey to the Bridge Authority all of its property and assets within Canada.

Members not employees of His Majesty.

2. Nothing in this Act shall be deemed to have effect to give the members, officers or employees of the Bridge Authority the status of officers or employees of His Majesty.

Members to be British subjects.

3. The three members to be appointed by the Dominion of Canada to the Board constituting the Bridge Authority, as provided in its Act of Incorporation, shall be British subjects and residents of the province of Ontario, and appointed by the Governor in Council to hold office during pleasure.

Attorney to be appointed.

4. (1) The Bridge Authority shall, within sixty days from the passing of this Act, by resolution appoint a person resident in the county of Welland, in the province of Ontario, its attorney to receive service of process in all suits and proceedings instituted in Canada against the Bridge Authority.

Certified copy.

(2) The Bridge Authority shall cause a certified copy of such resolution to be filed forthwith after the adoption thereof, in the office of the Secretary of State of Canada.

Powers of Bridge Authority.

5. The Bridge Authority is hereby authorized and empowered, subject to the provisions of this Act, to carry out the provisions of its Act of Incorporation in respect of the property and assets within Canada acquired and

held by it and to exercise and perform all of its powers, authority and duties in respect of such property and assets; but, without restricting the generality of the foregoing terms of this section, the Bridge Authority shall have power,

(a) To maintain and operate the property acquired or held by it, and subject to the provisions of the *Railway Act*, charge tolls in respect thereof; R.S., c. 170.

(b) To sue and be sued;

(c) To issue, sell or exchange from time to time, its negotiable bonds in the aggregate principal amount not exceeding at any one time four million dollars, subject to the terms, conditions and restrictions set forth in its Act of Incorporation;

(d) To secure such negotiable bonds by mortgage, charge or pledge of property and assets acquired and held by it, including the tolls and revenues arising therefrom, and

(e) To apply the proceeds of any such bonds in the manner and for the purposes provided by its Act of Incorporation.

Bonds.

6. The bonds and other obligations of the Bridge Authority shall not be a debt of the Dominion of Canada, nor shall the Dominion of Canada be liable thereon.

Default.

7. In the event of default being made under any bonds issued by the Bridge Authority, the Trustee for the bondholders shall, with respect to the property and assets within Canada constituting the security, or a part thereof, for the said bonds, have in addition to such remedies as may otherwise be available to him, all remedies available to a mortgagee under the laws of the province of Ontario.

Notice to the Attorney General.

8. (1) The remedies of the bondholders and the trustee provided in the Act of Incorporation of the Bridge Authority or under this Act, are subject to the limitation that, before taking any proceeding to enforce such remedies, or any of them, the Trustee shall first give notice in writing to the Attorney General of Canada; and if when such notice is given to the said Attorney General, Parliament shall be in session, the Trustee shall not declare the principal of the bonds due before Parliament prorogues, provided, however, that Parliament has been in session for at least four weeks after notification shall have been given to the Attorney General as aforesaid.

When principal of bonds to be declared due.

(2) If Parliament be not then in session, or has not been in session for at least four weeks after notification shall have been given to the Attorney General as aforesaid, the Trustee shall not declare the principal of the bonds due until the next regular session of Parliament is ended by prorogation.

Default remedied.

(3) If at any session of Parliament referred to in subsections one and two of this section, Parliament shall take any action as a result of which past due principal and interest, with interest on past due interest, together with fees, counsel fees and expenses of the trustee and of the receiver, if any, as fixed by the Court of competent jurisdiction shall be paid within sixty days after prorogation, default in the payment thereof shall thereby be remedied.

Comptroller of the Treasury to act.

9. Wherever in the Act of Incorporation of the Bridge Authority provision is made for the designation of an authority by the Dominion of Canada, such authority shall, except as otherwise provided herein, be the Comptroller of the Treasury of the Department of Finance of Canada.

When bonds discharged.

10. When all of the bonds issued by the Bridge Authority shall have been paid in full, or shall have otherwise been discharged, the powers, jurisdiction and duties of the Bridge Authority shall cease and the property acquired and held by it within the Dominion of Canada shall be under such jurisdiction, authority or agency as the Governor in Council shall designate.

SCHEDULE

"Laws of New York.—By Authority
Chapter 824

An Act creating Buffalo and Fort Erie Public Bridge Authority providing for its appointment and defining its jurisdiction, powers and duties; authorizing it to issue and sell or exchange its bonds and authorizing their use for certain purposes; authorizing it to acquire all the assets and property of the Buffalo and Fort Erie Public Bridge Company; authorizing it to maintain and operate such property and assets and to charge tolls for the use thereof and to acquire other assets; authorizing it to exercise authority, powers and duties not inconsistent herewith, granted by the Dominion of Canada, and generally to define its purposes and to provide for the exercise of its powers

Became a law August 31, 1933, with the approval of the Governor. Passed, on message of necessity, three-fifths being present

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Buffalo and Fort Erie Public Bridge Authority. A board to be known as Buffalo and Fort Erie Public Bridge Authority is hereby created which shall be a body corporate and politic, constituting a public benefit corporation, to consist of nine members.

§ 2. The board shall constitute the municipal corporate instrumentality of the state of New York, for the purpose of carrying out the provisions of this Act. The Board is hereby authorized and empowered to act for and become the agency or instrumentality, corporate or otherwise, of the Dominion of Canada, with like duties and authority, or with such duties, powers, authority and purposes as may be determined by the Dominion of Canada with reference to the lands, bridges, terminals, approaches and properties within the Dominion of Canada connected with or usable with the property and assets authorized to be acquired and conveyed to the board hereunder and now constituting the property and assets of the Buffalo and Fort Erie Public Bridge Company.

§ 3. Six members of the board, who shall be citizens of the United States and residents of the state of New York, shall be appointed and may be removed by the governor; three members of the board, who shall be residents of the Dominion of Canada, shall be appointed, and may be removed, in such manner and at such time and may hold office for such period as may be determined by the Dominion of Canada. Of the members first appointed by the governor, two shall be designated by him to serve for two years from the date of their appointments; two shall be designated by him to serve for four years from such date and two shall be designated by him to serve for six years from such date. Thereafter each member appointed by the governor shall serve for a term of six years from the date of his appointment.

§ 4. Vacancies in the board caused by the death, disqualification, resignation or removal of a member appointed by the governor shall be filled by appointment by the governor. If a vacancy shall occur by reason of the death, disqualification, resignation or removal of a member who is a resident of the Dominion of Canada, the person appointed to fill such vacancy must be a resident of the Dominion of Canada and such appointment shall be made in the manner and by such authority as the Dominion of Canada may require.

§ 5. The members of the board shall serve without compensation, but the board shall have authority to compensate its members for expenses and disbursements from funds collected by it in the operation of properties acquired by it.

§ 6. The board shall appoint annually a chairman, a vice-chairman or vice-chairmen, a secretary, an assistant secretary, a treasurer, and an assistant treasurer, and may delegate to them such powers and duties as it may deem proper.

§ 7. The Board may adopt such by-laws, rules and regulations for the calling and conduct of its meetings and the management of its affairs as it may deem necessary or proper, not inconsistent with the provisions of this Act. A majority of the board shall constitute a quorum for the transaction of any business and the concurrence of a majority of the members of the board shall be necessary to the validity of any action by the board.

§ 8. The Board may appoint agents and employees with such powers and duties as it may determine, and shall fix their compensation and pay the same out of any funds collected by it in the operation of properties acquired by it.

§ 9. The Buffalo and Fort Erie Public Bridge Authority shall have power:

1. To sue and be sued.
2. To have a seal and alter the same at pleasure.
3. To acquire, hold and dispose of real and personal property for its corporate purposes.
4. To make contracts and to execute all instruments necessary or convenient.
5. To maintain, reconstruct, repair and replace and operate any properties acquired by it, and pay for the same out of any funds collected by it in the operation of properties acquired by it.
6. To do any other act or thing necessary or proper to carry out, accomplish or effectuate the purposes of this act.

§ 10. The board is authorized to lease and permit to be maintained under such lease, over or along the property acquired by it, telephone, telegraph or electric wires, cables, gas mains, water mains and other mechanical equipment, not inconsistent with the use of the property for vehicular and pedestrian traffic, on such terms and at such consideration as it shall determine, provided, however, that no lease shall be made for a period extending beyond the term of the existence of the board.

§ 11. The board is hereby authorized to acquire title to all of the assets and property of the Buffalo and Fort Erie Public Bridge Company and to pay therefor a sum not exceeding the aggregate of

(a) The amount necessary to redeem bonds of such company issued and now outstanding;

(b) The amount necessary, not exceeding fifty thousand dollars and accrued dividends, to retire the capital stock of such company;

(c) The amount necessary to pay other indebtedness which such company is obligated to pay.

The Buffalo and Fort Erie Public Bridge Company is hereby authorized to transfer and convey to the board all of its assets and property.

§ 12. The board is hereby authorized to accept deeds, bills of sale and other transfers deemed necessary or proper to transfer and convey to the board all of the assets and property of the Buffalo and Fort Erie Public Bridge Company and to hold the same under the provisions of this act, until such time as all of the bonds issued by the board hereunder shall have been paid in full or shall have otherwise been discharged.

§ 13. When all of the bonds issued by the board hereunder shall have been paid in full or shall have otherwise been discharged, the powers, jurisdiction and duties of the board shall cease and the property and assets acquired and held by it within the state of New York shall thereafter be under such jurisdiction, authority or agency as the legislature may designate, and the assets and property acquired or held by it within the Dominion of Canada shall be under such jurisdiction, authority or agency as the Dominion of Canada may designate.

§ 14. The Buffalo and Fort Erie Public Bridge Authority shall have power and is hereby authorized from time to time to issue its negotiable bonds in the aggregate principal amount of not exceeding at any one time four million dollars.

2. The bonds and the indenture, if any, under which they are issued, shall be authorized by resolution of the board and shall bear such date or dates, mature at such time or times, not exceeding fifty years from their respective dates, except that no bonds shall mature before January first, nineteen hundred thirty-seven, bear interest at such rate or rates not exceeding five per centum per annum, payable semi-annually, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places and be subject to such terms of redemption, not exceeding a premium of one and one-half per centum as such resolution or resolutions may provide. The bonds may be sold at public or private sale for such price or prices as the board shall determine, but at no greater discount than five per centum of the face amount thereof.

3. The bonds may be issued for any corporate purpose of the Buffalo and Fort Erie Public Bridge Authority and/or may be exchanged for outstanding bonds or other indebtedness of the Buffalo and Fort Erie Public Bridge Company on such terms as may be agreed upon by the board and the holders and owners of such bonds and other indebtedness, except that the exchange price thereof shall not be greater in par value of bonds of the board than the

redemption price of the bonds of such company under existing indentures and the face amount of such other indebtedness.

4. Any resolution or resolutions authorizing any bonds or any indenture authorizing the issuance of bonds may contain provisions which shall be a part of the contract with the holders of the bonds or part of the indenture as to *(a)* pledging the tolls and revenues of the properties to secure the payment of the bonds; *(b)* the rates of tolls to be charged and the amount to be raised in each year by tolls and the use and disposition of the tolls and other revenue; *(c)* the setting aside of reserves or sinking funds and the regulation or disposition thereof, provided that no requirement shall be made by which bonds are retired in excess of ten per centum of the total outstanding bonds in any one year; *(d)* limitations on the right of the board to restrict and regulate the use of the project; *(e)* limitations on the purpose to which the proceeds of the sale of any issue of bonds then or thereafter to be issued may be applied; *(f)* limitations on the issuance of additional bonds; *(g)* procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; *(h)* the manner of redemption of such bonds, and *(i)* insurance to be carried on the property acquired by the board.

5. The bonds, if the board so determines, may be issued under an indenture between the board and a trustee for bondholders in such form and containing such terms and conditions not inconsistent with this act, as the board may determine.

§ 15. Before any such bonds shall be issued or sold or exchanged, and before any such conveyance shall be made or property acquired, all proper and requisite authority for the issuance of such bonds shall be obtained from the Dominion of Canada. The Dominion of Canada may attach such conditions not inconsistent with this act with respect to the transfer of the properties, rights and franchises of the corporation situated within the Dominion of Canada as it may deem necessary.

§ 16. Subject to any contract with the holders of any bonds, the board shall have power at any time or from time to time to issue new bonds in place of those then outstanding having like or different terms and secured by like or different provisions. Such bonds may be exchanged for outstanding bonds or may be sold and the proceeds applied to the payment of the outstanding bonds.

§ 17. Neither the members of the board nor any person executing such bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

§ 18. The board shall have power, out of any funds available therefor, to purchase any bonds issued by it at a price not more than the principal amount thereof and the accrued interest.

§ 19. The bonds shall be a first lien on the real estate and bridge property of the Buffalo and Fort Erie Public Bridge Authority, including structures and approaches and lands and easements used therewith, except as to first mortgage bonds now outstanding against such real estate and property, and as to debenture bonds now outstanding.

§ 20. In the event that the board shall default in the payment of principal or of interest on any of the bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days or in the event that the board shall fail or refuse to comply with the provisions of this act or shall default in any agreement made with the holders of the bonds, the trustee appointed in the indenture under which such bonds are issued, or if there be no indenture, then a trustee appointed by twenty-five per centum in face amount of bonds then outstanding, may and upon written request of the holders of twenty-five per centum in principal amount of the bonds then outstanding, shall in his or its own name:

(a) By mandamus or other suit, action or proceeding in law or in equity, enforce all rights of the bondholders including the right to require the board to collect tolls and rentals adequate to carry out any agreement as to or pledge of such tolls and rentals and to require the board to carry out any other agreements with the bondholders and to perform its and their duties under this act;

(b) Bring suit upon the bonds;

(c) By action or suit in equity, require the board to act as if it were the trustee of an express trust for the bondholders;

(d) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the bondholders;

(e) Declare all bonds due and payable and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum of the principal amount of the bonds then outstanding, to annul such declaration and its consequences.

(f) To enforce any remedy by foreclosure or suit and the supreme court is hereby given jurisdiction of any suit, action or proceeding by the trustee on behalf of the bondholders, the venue of which shall be laid in the county of Erie and state of New York.

Any such trustee on default in the payment of principal and interest, whether or not all bonds have been declared

due and payable, shall be entitled as of right to the appointment of a receiver who may enter and take possession of the assets and property or any part or parts thereof and operate and maintain the same and collect and receive all tolls, rentals and other revenues thereafter arising therefrom in the same manner as the board itself might do and shall deposit all such moneys in a separate account and apply the same in such manner as the court shall direct. In any suit, action or proceeding by the trustee the fees, counsel fees and expenses of the trustee and of the receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any tolls, rentals and other revenues derived from such assets. Such trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

The foregoing remedies of the bondholders and of the trustee, however, are subject to the limitations that before declaring the principal of all bonds due and payable, the trustee shall first give notice in writing to the board and to the attorney-general of the state of New York, and if, when such notice is given to the attorney-general, the legislature shall be in session, the trustee shall not declare the principal of the bonds due before the legislature adjourns sine die or if the legislature be not then in session, the trustee shall not declare the principal of the bonds due until such an adjournment of the next regular session. If at such session the legislature shall take any action as a result of which past due principal and interest, with interest on past due interest, together with fees, counsel fees and expenses of the trustee and of the receiver, if any, as fixed by the court, shall be paid within sixty days of adjournment, default in the payment thereof shall thereby be remedied.

§ 21. The bonds and other obligations of the Buffalo and Fort Erie Public Bridge Authority shall not be a debt of the state of New York nor of the Dominion of Canada and neither the state of New York nor the Dominion of Canada shall be liable thereon nor shall they be payable out of any funds other than those of the Buffalo and Fort Erie Public Bridge Authority.

§ 22. The bonds are hereby made securities in which all public officers and bodies of this state and all municipalities and municipal subdivisions may properly and legally invest funds in their control or accept as security for deposits and all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees and other fiduciaries of the state may properly and legally invest funds in their control.

§ 23. Bonds and property to be tax exempt. The properties of the Buffalo and Fort Erie Public Bridge Authority shall be exempt from all taxes and assessments by the state or any municipality or municipal subdivision thereof and the bonds shall be exempt from taxation except for transfer, estate and inheritance taxes.

§ 24. The board, subject to the authority vested in the secretary of war of the United States and the authority of the Dominion of Canada, shall have power and be required to fix the rate of tolls for the use of the bridge, approaches, connections and appurtenances; provided, however, that the toll charges for pedestrian and vehicular traffic shall be discretionary and adjusted from time to time, but at a rate consistent with any contract with the holders of its bonds, and shall not be higher than, in the judgment of the board, is necessary to provide for the payment of interest, operating expenses, maintenance and insurance, repairs, replacements and proper working funds and to mature from two and one-half per centum to not more than ten per centum of the total outstanding bonds in any one year, except that no provision shall be made for the redemption of bonds issued by the board before January first, nineteen hundred thirty-seven.

§ 25. Within thirty days after the execution and delivery of the deeds of conveyance authorized by this act, the board shall execute and file with the comptroller of the state of New York and with such authority as the Dominion of Canada may designate, a detailed verified statement of the assets and liabilities of the corporation. The board annually in the month of February or oftener when required shall file with the comptroller of the state of New York and with such authorities of the Dominion of Canada as may be designated by the Dominion of Canada, an itemized detailed verified report of all receipts and disbursements of the corporation subsequent to the execution and delivery of the deeds of conveyance as authorized by this act.

§ 26. All moneys received by the Buffalo and Fort Erie Public Bridge Authority shall be paid to the treasurer thereof or other officer or officers designated by the board for the purpose. The treasurer and each other officer of the board receiving moneys of the Buffalo and Fort Erie Public Bridge Authority shall execute in duplicate an undertaking in such amount or amounts and with such sureties as may be approved by the comptroller of the state of New York, and by such authority as may be designated for the purpose by the Dominion of Canada, conditioned for the safekeeping and lawful application of all moneys which may come to his hands, and shall file one copy in the office of the state department of audit and control and one copy in such office or department as may be designated by the Dominion of Canada. Such bond

may be increased or reduced from time to time in the discretion of the comptroller and of such authority designated by the Dominion of Canada. The state treasurer and his legally authorized representatives and the state comptroller and his legally authorized representatives and such authority as may be designated by the Dominion of Canada are hereby authorized and empowered from time to time to examine the accounts and books of the board, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its financial standing.

§ 27. The following terms, whenever used, or referred to in this act, shall have the following meaning unless a different meaning clearly appears from the context:

1. The term "Buffalo and Fort Erie Public Bridge Authority" shall mean the corporation created by section one of this act.

2. The term "board" shall mean the members of the Buffalo and Fort Erie Public Bridge Authority.

3. The term "bridge" shall mean terminals, approaches buildings, rights, easements and privileges.

4. The term "bonds" shall mean bonds issued by the Buffalo and Fort Erie Bridge Authority pursuant to this act, except where reference is made to the bonds of Buffalo and Fort Erie Public Bridge Company.

5. The term "Buffalo and Fort Erie Public Bridge Company" and the term "Company" as used herein shall mean the Buffalo and Fort Erie Public Bridge Company which is a consolidation of a corporation organized under chapter three hundred and seventy-nine of the laws of nineteen hundred and twenty-two and a corporation authorized under thirteen and fourteen, George V, chapter seventy-four of the Parliament of the Dominion of Canada.

§ 28. If any section, clause or provision of this Act shall be unconstitutional or be ineffective, in whole or in part, to the extent that it is not unconstitutional, it shall be valid and effective and no other section, clause or provision shall on account thereof be deemed invalid or ineffective.

§ 29. Insofar as the provisions of this act are inconsistent with the provisions of any other act, general or special, the provisions of this act shall be controlling.

§ 30. This act shall take effect immediately."

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 13.

An Act respecting the Buffalo and Fort Erie Public Bridge Company.

AS PASSED BY THE HOUSE OF COMMONS, 27th MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74526 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 13.

An Act respecting the Buffalo and Fort Erie Public Bridge Company.

1923, c. 74.

Preamble.

WHEREAS by chapter seventy-four of the statutes of Canada, 1923, and by chapter three hundred and seventy-nine of the laws of the state of New York, 1922, two companies were incorporated under the name of Buffalo and Fort Erie Public Bridge Company, with authority to construct, maintain and operate a bridge across the Niagara River between the city of Buffalo, in the state of New York, and the village (now the town) of Fort Erie, in the province of Ontario, and by agreement dated thirteenth day of June, 1925, the said two companies were amalgamated and consolidated so as to form one and a new single company under the same name in accordance with, and subject to, the provisions of the said Acts of incorporation; and whereas for the purpose of the re-organization and refinancing of the said bridge undertaking upon a basis which will permit of a considerable reduction of fixed charges and consequent reduction of tolls now charged, by an Act of the Legislature of the state of New York, being chapter eight hundred and twenty-four of the laws of the said state for 1933, (hereinafter called "Act of Incorporation", and a copy of which is, for the information only of Parliament, attached as a Schedule hereto), a Board, known as the Buffalo and Fort Erie Public Bridge Authority, was created a body corporate and politic, constituting a public benefit corporation, with power to acquire, hold and manage the property and assets of the Buffalo and Fort Erie Public Bridge Company; and whereas by the Act of Incorporation it is provided that the said Board shall consist of nine members, six of whom are required to be citizens of the United States and residents of the state of New York, to be appointed and removed by the Governor of the said state, and three of whom are required to be residents of the Dominion of Canada, to be appointed and removed as may be determined by the

Government of the Dominion of Canada; and whereas the Buffalo and Fort Erie Public Bridge Company has by its petition requested that authority be granted to it to convey all its property and assets within the Dominion of Canada to the Buffalo and Fort Erie Public Bridge Authority: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Company may acquire and manage property and assets.

1. (1) Subject to the provisions of this Act, the Buffalo and Fort Erie Public Bridge Authority, created by the Act of Incorporation (hereinafter called "the Bridge Authority"), is hereby authorized and empowered to acquire, hold and manage the property and assets within Canada of the Buffalo and Fort Erie Public Bridge Company.

Transfer.

(2) Subject to the provisions of section eleven of this Act the Buffalo and Fort Erie Public Bridge Company is hereby authorized and empowered to transfer and convey to the Bridge Authority all of its property and assets within Canada.

Members not employees of His Majesty.

2. Nothing in this Act shall be deemed to have effect to give the members, officers or employees of the Bridge Authority the status of officers or employees of His Majesty.

Members to be British subjects.

3. The three members to be appointed by the Dominion of Canada to the Board constituting the Bridge Authority, as provided in its Act of Incorporation, shall be British subjects and residents of the province of Ontario, and appointed by the Governor in Council to hold office during pleasure.

Attorney to be appointed.

4. (1) The Bridge Authority shall, within sixty days from the passing of this Act, by resolution appoint a person resident in the county of Welland, in the province of Ontario, its attorney to receive service of process in all suits and proceedings instituted in Canada against the Bridge Authority.

Certified copy.

(2) The Bridge Authority shall cause a certified copy of such resolution to be filed forthwith after the adoption thereof, in the office of the Secretary of State of Canada.

Powers of Bridge Authority.

5. The Bridge Authority is hereby authorized and empowered, subject to the provisions of this Act, to exercise its powers and,

(a) To maintain and operate the property acquired or held by it, and subject to the provisions of the *Railway Act*, charge tolls in respect thereof;

R.S., c. 170.

(*b*) To sue and be sued;

(*c*) To issue, sell or exchange from time to time, its negotiable bonds in the aggregate principal amount not exceeding at any one time four million dollars, subject to the terms, conditions and restrictions set forth in its Act of Incorporation;

(*d*) To secure such negotiable bonds by mortgage, charge or pledge of property and assets acquired and held by it, including the tolls and revenues arising therefrom, and

(*e*) To apply the proceeds of any such bonds in the manner and for the purposes provided by its Act of Incorporation.

Bonds.

6. The bonds and other obligations of the Bridge Authority shall not be a debt of the Dominion of Canada, nor shall the Dominion of Canada be liable thereon.

Default.

7. In the event of default being made under any bonds issued by the Bridge Authority, the Trustee for the bondholders shall, with respect to the property and assets within Canada constituting the security, or a part thereof, for the said bonds, have in addition to such remedies as may otherwise be available to him, all remedies available to a mortgagee under the laws of the province of Ontario.

Notice to the Attorney General.

8. (1) The remedies of the bondholders and the trustee provided in the Act of Incorporation of the Bridge Authority or under this Act, are subject to the limitation that, before taking any proceeding to enforce such remedies, or any of them, the Trustee shall first give notice in writing to the Attorney General of Canada; and if when such notice is given to the said Attorney General, Parliament shall be in session, the Trustee shall not declare the principal of the bonds due before Parliament prorogues, provided, however, that Parliament has been in session for at least four weeks after notification shall have been given to the Attorney General as aforesaid.

When principal of bonds to be declared due.

(2) If Parliament be not then in session, or has not been in session for at least four weeks after notification shall have been given to the Attorney General as aforesaid, the Trustee shall not declare the principal of the bonds due until the next regular session of Parliament is ended by prorogation.

Default remedied.

(3) If at any session of Parliament referred to in subsections one and two of this section, Parliament shall take any action as a result of which past due principal and interest, with interest on past due interest, together with fees, counsel fees and expenses of the trustee and of the

receiver, if any, as fixed by the Court of competent jurisdiction shall be paid within sixty days after prorogation, default in the payment thereof shall thereby be remedied.

Comptroller of the Treasury to act.

9. Wherever in the Act of Incorporation of the Bridge Authority provision is made for the designation of an authority by the Dominion of Canada, such authority shall, except as otherwise provided herein, be the Comptroller of the Treasury of the Department of Finance of Canada.

When bonds discharged.

10. When all of the bonds issued by the Bridge Authority shall have been paid in full, or shall have otherwise been discharged, the powers, jurisdiction and duties of the Bridge Authority shall cease and the property acquired and held by it within the Dominion of Canada shall become the property of His Majesty the King and shall be under such jurisdiction, authority or agency as the Governor in Council shall designate.

Bridge Authority to be subject to assessment and taxation.

11. Nothing herein contained shall in any way affect, prejudice, limit, or alter any right or interest in respect of provincial or municipal assessment and taxation, or deprive the province of Ontario or any municipality thereof of the right to assess and tax the real property within Canada of the Buffalo and Fort Erie Public Bridge Company, or of the Bridge Authority and the said real property acquired, held or managed by the Bridge Authority, and the Bridge Authority itself, shall be subject to assessment and taxation.

Jurisdiction and control of Niagara Parks Commission.

12. Notwithstanding anything in this Act contained, the jurisdiction and control of the Niagara Parks Commission in respect to the matters placed under its jurisdiction and control by virtue of chapter eighty-one of the Revised Statutes of Ontario, 1927, shall continue the same as if this Act had not been passed.

SCHEDULE

"Laws of New York.—By Authority
Chapter 824

An Act creating Buffalo and Fort Erie Public Bridge Authority providing for its appointment and defining its jurisdiction, powers and duties; authorizing it to issue and sell or exchange its bonds and authorizing their use for certain purposes; authorizing it to acquire all the assets and property of the Buffalo and Fort Erie Public Bridge Company; authorizing it to maintain and operate such property and assets and to charge tolls for the use thereof and to acquire other assets; authorizing it to exercise authority, powers and duties not inconsistent herewith, granted by the Dominion of Canada, and generally to define its purposes and to provide for the exercise of its powers

Became a law August 31, 1933, with the approval of the Governor. Passed, on message of necessity, three-fifths being present

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Buffalo and Fort Erie Public Bridge Authority. A board to be known as Buffalo and Fort Erie Public Bridge Authority is hereby created which shall be a body corporate and politic, constituting a public benefit corporation, to consist of nine members.

§ 2. The board shall constitute the municipal corporate instrumentality of the state of New York, for the purpose of carrying out the provisions of this Act. The Board is hereby authorized and empowered to act for and become the agency or instrumentality, corporate or otherwise, of the Dominion of Canada, with like duties and authority, or with such duties, powers, authority and purposes as may be determined by the Dominion of Canada with reference to the lands, bridges, terminals, approaches and properties within the Dominion of Canada connected with or usable with the property and assets authorized to be acquired and conveyed to the board hereunder and now constituting the property and assets of the Buffalo and Fort Erie Public Bridge Company.

§ 3. Six members of the board, who shall be citizens of the United States and residents of the state of New York, shall be appointed and may be removed by the governor; three members of the board, who shall be residents of the

Dominion of Canada, shall be appointed, and may be removed, in such manner and at such time and may hold office for such period as may be determined by the Dominion of Canada. Of the members first appointed by the governor, two shall be designated by him to serve for two years from the date of their appointments; two shall be designated by him to serve for four years from such date and two shall be designated by him to serve for six years from such date. Thereafter each member appointed by the governor shall serve for a term of six years from the date of his appointment.

§ 4. Vacancies in the board caused by the death, disqualification, resignation or removal of a member appointed by the governor shall be filled by appointment by the governor. If a vacancy shall occur by reason of the death, disqualification, resignation or removal of a member who is a resident of the Dominion of Canada, the person appointed to fill such vacancy must be a resident of the Dominion of Canada and such appointment shall be made in the manner and by such authority as the Dominion of Canada may require.

§ 5. The members of the board shall serve without compensation, but the board shall have authority to compensate its members for expenses and disbursements from funds collected by it in the operation of properties acquired by it.

§ 6. The board shall appoint annually a chairman, a vice-chairman or vice-chairmen, a secretary, an assistant secretary, a treasurer, and an assistant treasurer, and may delegate to them such powers and duties as it may deem proper.

§ 7. The Board may adopt such by-laws, rules and regulations for the calling and conduct of its meetings and the management of its affairs as it may deem necessary or proper, not inconsistent with the provisions of this Act. A majority of the board shall constitute a quorum for the transaction of any business and the concurrence of a majority of the members of the board shall be necessary to the validity of any action by the board.

§ 8. The Board may appoint agents and employees with such powers and duties as it may determine, and shall fix their compensation and pay the same out of any funds collected by it in the operation of properties acquired by it.

§ 9. The Buffalo and Fort Erie Public Bridge Authority shall have power:

1. To sue and be sued.
2. To have a seal and alter the same at pleasure.
3. To acquire, hold and dispose of real and personal property for its corporate purposes.
4. To make contracts and to execute all instruments necessary or convenient.

5. To maintain, reconstruct, repair and replace and operate any properties acquired by it, and pay for the same out of any funds collected by it in the operation of properties acquired by it.

6. To do any other act or thing necessary or proper to carry out, accomplish or effectuate the purposes of this act.

§ 10. The board is authorized to lease and permit to be maintained under such lease, over or along the property acquired by it, telephone, telegraph or electric wires, cables, gas mains, water mains and other mechanical equipment, not inconsistent with the use of the property for vehicular and pedestrian traffic, on such terms and at such consideration as it shall determine, provided, however, that no lease shall be made for a period extending beyond the term of the existence of the board.

§ 11. The board is hereby authorized to acquire title to all of the assets and property of the Buffalo and Fort Erie Public Bridge Company and to pay therefor a sum not exceeding the aggregate of

(a) The amount necessary to redeem bonds of such company issued and now outstanding;

(b) The amount necessary, not exceeding fifty thousand dollars and accrued dividends, to retire the capital stock of such company;

(c) The amount necessary to pay other indebtedness which such company is obligated to pay.

The Buffalo and Fort Erie Public Bridge Company is hereby authorized to transfer and convey to the board all of its assets and property.

§ 12. The board is hereby authorized to accept deeds, bills of sale and other transfers deemed necessary or proper to transfer and convey to the board all of the assets and property of the Buffalo and Fort Erie Public Bridge Company and to hold the same under the provisions of this act, until such time as all of the bonds issued by the board hereunder shall have been paid in full or shall have otherwise been discharged.

§ 13. When all of the bonds issued by the board hereunder shall have been paid in full or shall have otherwise been discharged, the powers, jurisdiction and duties of the board shall cease and the property and assets acquired and held by it within the state of New York shall thereafter be under such jurisdiction, authority or agency as the legislature may designate, and the assets and property acquired or held by it within the Dominion of Canada shall be under such jurisdiction, authority or agency as the Dominion of Canada may designate.

§ 14. The Buffalo and Fort Erie Public Bridge Authority shall have power and is hereby authorized from time to time to issue its negotiable bonds in the aggregate principal amount of not exceeding at any one time four million dollars.

2. The bonds and the indenture, if any, under which they are issued, shall be authorized by resolution of the board and shall bear such date or dates, mature at such time or times, not exceeding fifty years from their respective dates, except that no bonds shall mature before January first, nineteen hundred thirty-seven, bear interest at such rate or rates not exceeding five per centum per annum, payable semi-annually, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places and be subject to such terms of redemption, not exceeding a premium of one and one-half per centum as such resolution or resolutions may provide. The bonds may be sold at public or private sale for such price or prices as the board shall determine, but at no greater discount than five per centum of the face amount thereof.

3. The bonds may be issued for any corporate purpose of the Buffalo and Fort Erie Public Bridge Authority and/or may be exchanged for outstanding bonds or other indebtedness of the Buffalo and Fort Erie Public Bridge Company on such terms as may be agreed upon by the board and the holders and owners of such bonds and other indebtedness, except that the exchange price thereof shall not be greater in par value of bonds of the board than the redemption price of the bonds of such company under existing indentures and the face amount of such other indebtedness.

4. Any resolution or resolutions authorizing any bonds or any indenture authorizing the issuance of bonds may contain provisions which shall be a part of the contract with the holders of the bonds or part of the indenture as to *(a)* pledging the tolls and revenues of the properties to secure the payment of the bonds; *(b)* the rates of tolls to be charged and the amount to be raised in each year by tolls and the use and disposition of the tolls and other revenue; *(c)* the setting aside of reserves or sinking funds and the regulation or disposition thereof, provided that no requirement shall be made by which bonds are retired in excess of ten per centum of the total outstanding bonds in any one year; *(d)* limitations on the right of the board to restrict and regulate the use of the project; *(e)* limitations on the purpose to which the proceeds of the sale of any issue of bonds then or thereafter to be issued may be applied; *(f)* limitations on the issuance of additional bonds; *(g)* procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; *(h)* the manner of redemption of such bonds, and *(i)* insurance to be carried on the property acquired by the board.

5. The bonds, if the board so determines, may be issued under an indenture between the board and a trustee for bondholders in such form and containing such terms and conditions not inconsistent with this act, as the board may determine.

§ 15. Before any such bonds shall be issued or sold or exchanged, and before any such conveyance shall be made or property acquired, all proper and requisite authority for the issuance of such bonds shall be obtained from the Dominion of Canada. The Dominion of Canada may attach such conditions not inconsistent with this act with respect to the transfer of the properties, rights and franchises of the corporation situated within the Dominion of Canada as it may deem necessary.

§ 16. Subject to any contract with the holders of any bonds, the board shall have power at any time or from time to time to issue new bonds in place of those then outstanding having like or different terms and secured by like or different provisions. Such bonds may be exchanged for outstanding bonds or may be sold and the proceeds applied to the payment of the outstanding bonds.

§ 17. Neither the members of the board nor any person executing such bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

§ 18. The board shall have power, out of any funds available therefor, to purchase any bonds issued by it at a price not more than the principal amount thereof and the accrued interest.

§ 19. The bonds shall be a first lien on the real estate and bridge property of the Buffalo and Fort Erie Public Bridge Authority, including structures and approaches and lands and easements used therewith, except as to first mortgage bonds now outstanding against such real estate and property, and as to debenture bonds now outstanding.

§ 20. In the event that the board shall default in the payment of principal or of interest on any of the bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days or in the event that the board shall fail or refuse to comply with the provisions of this act or shall default in any agreement made with the holders of the bonds, the trustee appointed in the indenture under which such bonds are issued, or if there be no indenture, then a trustee appointed by twenty-five per centum in face amount of bonds then outstanding, may and upon written request of the holders of twenty-five per centum in principal amount of the bonds then outstanding, shall in his or its own name:

(a) By mandamus or other suit, action or proceeding in law or in equity, enforce all rights of the bondholders including the right to require the board to collect tolls and rentals adequate to carry out any agreement as to or pledge of such tolls and rentals and to require the board to carry out any other agreements with the bondholders and to perform its and their duties under this act;

(b) Bring suit upon the bonds;

(c) By action or suit in equity, require the board to act as if it were the trustee of an express trust for the bondholders;

(d) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the bondholders;

(e) Declare all bonds due and payable and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum of the principal amount of the bonds then outstanding, to annul such declaration and its consequences.

(f) To enforce any remedy by foreclosure or suit and the supreme court is hereby given jurisdiction of any suit, action or proceeding by the trustee on behalf of the bondholders, the venue of which shall be laid in the county of Erie and state of New York.

Any such trustee on default in the payment of principal and interest, whether or not all bonds have been declared due and payable, shall be entitled as of right to the appointment of a receiver who may enter and take possession of the assets and property or any part or parts thereof and operate and maintain the same and collect and receive all tolls, rentals and other revenues thereafter arising therefrom in the same manner as the board itself might do and shall deposit all such moneys in a separate account and apply the same in such manner as the court shall direct. In any suit, action or proceeding by the trustee the fees, counsel fees and expenses of the trustee and of the receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any tolls, rentals and other revenues derived from such assets. Such trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

The foregoing remedies of the bondholders and of the trustee, however, are subject to the limitations that before declaring the principal of all bonds due and payable, the trustee shall first give notice in writing to the board and to the attorney-general of the state of New York, and if, when

such notice is given to the attorney-general, the legislature shall be in session, the trustee shall not declare the principal of the bonds due before the legislature adjourns sine die or if the legislature be not then in session, the trustee shall not declare the principal of the bonds due until such an adjournment of the next regular session. If at such session the legislature shall take any action as a result of which past due principal and interest, with interest on past due interest, together with fees, counsel fees and expenses of the trustee and of the receiver, if any, as fixed by the court, shall be paid within sixty days of adjournment, default in the payment thereof shall thereby be remedied.

§ 21. The bonds and other obligations of the Buffalo and Fort Erie Public Bridge Authority shall not be a debt of the state of New York nor of the Dominion of Canada and neither the state of New York nor the Dominion of Canada shall be liable thereon nor shall they be payable out of any funds other than those of the Buffalo and Fort Erie Public Bridge Authority.

§ 22. The bonds are hereby made securities in which all public officers and bodies of this state and all municipalities and municipal subdivisions may properly and legally invest funds in their control or accept as security for deposits and all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees and other fiduciaries of the state may properly and legally invest funds in their control.

§ 23. Bonds and property to be tax exempt. The properties of the Buffalo and Fort Erie Public Bridge Authority shall be exempt from all taxes and assessments by the state or any municipality or municipal subdivision thereof and the bonds shall be exempt from taxation except for transfer, estate and inheritance taxes.

§ 24. The board, subject to the authority vested in the secretary of war of the United States and the authority of the Dominion of Canada, shall have power and be required to fix the rate of tolls for the use of the bridge, approaches, connections and appurtenances; provided, however, that the toll charges for pedestrian and vehicular traffic shall be discretionary and adjusted from time to time, but at a rate consistent with any contract with the holders of its bonds, and shall not be higher than, in the judgment of the board, is necessary to provide for the payment of interest, operating expenses, maintenance and insurance, repairs, replacements and proper working funds and to mature from two and one-half per centum to not more than ten per centum of the total outstanding bonds in any one year, except that no provision shall be made for the redemption of bonds issued by the board before January first, nineteen hundred thirty-seven.

§ 25. Within thirty days after the execution and delivery of the deeds of conveyance authorized by this act, the board shall execute and file with the comptroller of the state of New York and with such authority as the Dominion of Canada may designate, a detailed verified statement of the assets and liabilities of the corporation. The board annually in the month of February or oftener when required shall file with the comptroller of the state of New York and with such authorities of the Dominion of Canada as may be designated by the Dominion of Canada, an itemized detailed verified report of all receipts and disbursements of the corporation subsequent to the execution and delivery of the deeds of conveyance as authorized by this act.

§ 26. All moneys received by the Buffalo and Fort Erie Public Bridge Authority shall be paid to the treasurer thereof or other officer or officers designated by the board for the purpose. The treasurer and each other officer of the board receiving moneys of the Buffalo and Fort Erie Public Bridge Authority shall execute in duplicate an undertaking in such amount or amounts and with such sureties as may be approved by the comptroller of the state of New York, and by such authority as may be designated for the purpose by the Dominion of Canada, conditioned for the safekeeping and lawful application of all moneys which may come to his hands, and shall file one copy in the office of the state department of audit and control and one copy in such office or department as may be designated by the Dominion of Canada. Such bond may be increased or reduced from time to time in the discretion of the comptroller and of such authority designated by the Dominion of Canada. The state treasurer and his legally authorized representatives and the state comptroller and his legally authorized representatives and such authority as may be designated by the Dominion of Canada are hereby authorized and empowered from time to time to examine the accounts and books of the board, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its financial standing.

§ 27. The following terms, whenever used, or referred to in this act, shall have the following meaning unless a different meaning clearly appears from the context:

1. The term "Buffalo and Fort Erie Public Bridge Authority" shall mean the corporation created by section one of this act.

2. The term "board" shall mean the members of the Buffalo and Fort Erie Public Bridge Authority.

3. The term "bridge" shall mean terminals, approaches buildings, rights, easements and privileges.

4. The term "bonds" shall mean bonds issued by the Buffalo and Fort Erie Bridge Authority pursuant to this act, except where reference is made to the bonds of Buffalo and Fort Erie Public Bridge Company.

5. The term "Buffalo and Fort Erie Public Bridge Company" and the term "Company" as used herein shall mean the Buffalo and Fort Erie Public Bridge Company which is a consolidation of a corporation organized under chapter three hundred and seventy-nine of the laws of nineteen hundred and twenty-two and a corporation authorized under thirteen and fourteen, George V, chapter seventy-four of the Parliament of the Dominion of Canada.

§ 28. If any section, clause or provision of this Act shall be unconstitutional or be ineffective, in whole or in part, to the extent that it is not unconstitutional, it shall be valid and effective and no other section, clause or provision shall on account thereof be deemed invalid or ineffective.

§ 29. Insofar as the provisions of this act are inconsistent with the provisions of any other act, general or special, the provisions of this act shall be controlling.

§ 30. This act shall take effect immediately."

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 14.

An Act to amend the Immigration Act (Public charge).

First reading, February 19, 1934.

Mr. HEAPS.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75474 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 14.

An Act to amend the Immigration Act (Public charge).

R.S., c. 93.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section forty of the *Immigration Act*, chapter ninety-three of the Revised Statutes of Canada, 1927, is repealed, and the following is substituted therefor:—

Duty of officers and municipal officials to send complaint to Minister regarding undesirable immigrants.

"**40.** (1) Whenever any person, other than a Canadian citizen or person having Canadian domicile, shall be found an inmate of or connected with the management of a house of prostitution or practising prostitution, or who shall receive, share in, or derive benefit from any part of the earnings of any prostitute or who manages or is employed by, in, or in connection with any house of prostitution or music or dance hall or other place of amusement or resort habitually frequented by prostitutes, or where prostitutes gather, or who in any way assists any prostitute or protects or promises to protect from arrest any prostitute or who shall import or attempt to import any person for the purpose of prostitution or for any other immoral purpose, or who has been convicted of a criminal offence in Canada or who admits the commission prior to landing or entry to Canada, of a crime involving moral turpitude, or has become a professional beggar or practices polygamy, or has become an inmate of a penitentiary, gaol, reformatory, prison, asylum or hospital for the insane or the mentally deficient, or an inmate of a public charitable institution, or enters or remains in Canada contrary to any provision of this Act, it shall be the duty of any officer cognizant thereof, and the duty of the clerk, secretary or other official of any municipality in Canada wherein such person may be, to forthwith send a written complaint thereof to the Minister, giving full particulars.

Explanatory Note.

Section forty is amended by striking out the words "public charge or" in the seventeenth line of said section and by adding a new subsection as subsection two to cover the case of a public charge.

This section comes under the heading of "Deportation of prohibited and undesirable classes."

This amendment will have the effect of leaving to the discretion of the municipal officials whether to send a complaint or not to the Minister regarding undesirable immigrants classified as "public charges."

Public charge.

(2) Whenever any person, other than a Canadian citizen or person having Canadian domicile, has become a public charge, any officer cognizant thereof, and any clerk, secretary or other official of any municipality in Canada wherein such person may be, may, in his discretion, send a written complaint thereof to the Minister giving full particulars."

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 15.

An Act to incorporate The Small Loan Company of Canada.

First reading, February 20, 1934.

(PRIVATE BILL)

Mr. GEARY.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75641 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 15.

An Act to incorporate The Small Loan Company of Canada.

Preamble.

WHEREAS the persons hereinafter named have by their Petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said Petition; Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Incorporation.

1. Ralph James Cutten, financier, Edward Logan Chudleigh, financier, both of the city of Toronto, in the county of York, Albert Patrick Henry Cutten, gentleman, Charles Lawrence Dunbar and Angus Charles Dunbar, solicitors, all of the city of Guelph, in the county of Wellington, together with such persons as become shareholders in the Company, are incorporated under the name of "The Small Loan Company of Canada" hereinafter called "the Company".

Corporate name.

Provisional directors.

2. The persons named in section one of this Act shall be the provisional directors of the Company.

Capital stock.

3. The capital stock of the Company shall be one million dollars divided into ten thousand shares of one hundred dollars each.

Head office.

4. The head office of the Company shall be in the city of Toronto, in the province of Ontario.

Powers.

[**5.** The Company may throughout Canada:—

(a) buy, sell, deal in and lend money on the security of conditional sales agreements, lien notes, hire purchase agreements, chattel mortgages, trade paper, bills of lading, warehouse receipts, bills of exchange and choses-in-action; and may receive and accept from the makers, vendors or transferors thereof guarantees or other

security for the performance and payment thereof and may enforce such guarantees and realize on such security.

R.S., c. 102. R.S., c. 135. R.S., c. 28.

(b) notwithstanding anything contained in the *Interest Act*, or in the *Money Lenders Act*, or in paragraph *(c)* of section sixty-three of the *Loan Companies Act*,

Loans.

(i) lend money secured by assignment of choses-in-action, chattel mortgages or such other evidence of indebtedness as the Company may require, and may charge interest thereon at a rate of not more than seven per centum per annum and may on all loans deduct the interest in advance and provide for repayments in weekly, monthly or other uniform repayments; Provided that the borrower shall have the right to repay the loan at any time before the due date, and, on such repayment being made, to receive a refund of such portion of the interest paid in advance as has not been earned, except a sum equal to the interest for three months;

Rate of interest. Proviso.

Refund.

Charges for expenses.

(ii) charge, in addition to interest as aforesaid, for all expenses which have been necessarily and in good faith incurred by the Company in making or renewing a loan authorized by the next preceding sub-paragraph (i), including all expenses for enquiry and investigation into the character and circumstances of the borrower, his endorsers, co-makers or sureties, for taxes, correspondence and professional advice, and for all necessary documents and papers, two per centum upon the principal sum loaned;

Additional charge.

(iii) notwithstanding anything in the next two preceding sub-paragraphs (i) and (ii) the Company shall, when a loan authorized by the said sub-paragraph (i) has been made or renewed on the security of a chattel mortgage, or of subrogation of taxes, be entitled to charge an additional sum equal to the legal and other actual expenses disbursed by the Company in connection with such loan, but not exceeding the sum of ten dollars;

but no charge for expenses of any kind shall be made or collected unless the loan has been actually made, nor on a renewal unless such a loan has been renewed after one year from the making thereof or after one year from the last renewal thereof;

Loans on real estate.

(c) lend money on security of real estate, or leaseholds, or purchase or invest in mortgages or hypothecs upon freehold or leasehold estate and for subrogation of taxes;

As principals or agents.

(d) do all or any of the above mentioned things, and all things authorized by this Act, as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others;

Borrowing powers.

(e) if authorized by by-law sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the Company represented at a general meeting duly called for considering the by-law, the directors may from time to time;

(i) borrow money upon the credit of the Company;

(ii) limit or increase the amount to be borrowed;

(iii) hypothecate, mortgage or pledge the real or personal property of the Company, or both, to secure the payment of any money borrowed for the purposes of the Company.

(2) Nothing in this section contained shall limit or restrict the power of the Company to borrow money on bills of exchange or promissory notes, made, drawn, accepted or endorsed by or on behalf of the Company.

(3) Nothing in the Act contained shall authorize the Company to issue bonds, debentures or other securities for moneys borrowed, or to accept deposits.

(4) Any officer or director of the Company who does, causes or permits to be done, anything contrary to the provisions of this section shall be liable for each such offence to a penalty of not less than twenty dollars and not more than five thousand dollars in the discretion of the court before which such penalty is recoverable; and any such penalty shall be recoverable and disposed of in the manner prescribed by section ninety-eight of the *Loan Companies Act*.]

Penalty.

Recovery and deposit.

R.S., c. 28.

Application of Loan Companies Act.

[**6.** Except as otherwise provided in the Act, the *Loan Companies Act*, chapter twenty-eight of the Revised Statutes of Canada, 1927, excepting therefrom paragraph *(f)* of subsection one of section sixty-one, paragraph *(c)* of subsection two of section sixty-one, subsection three of section sixty-two, sections sixty-four, sixty-five, sixty-six, sixty-seven, eighty-two and eighty-eight, shall apply to the Company.]

Company may act as agent, etc.

[**7.** If any person with whom the Company is transacting any business authorized by the Acts relating to the Company lawfully constitutes the Company his agent or attorney in that transaction and on account of that person for any or all of the following purposes, namely:—

(a) to sell or buy stocks, bonds or other securities; or

(b) to collect rents from real estate, payments whether of principal or interest on mortgages or real estate; or

(c) generally, to manage real estate; the Company may act as such agent or attorney.]

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 15.

An Act to incorporate The Small Loan Company of Canada.

AS PASSED BY THE HOUSE OF COMMONS, 29th JUNE, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75643 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 15.

An Act to incorporate The Small Loan Company of Canada.

Preamble.

WHEREAS the persons hereinafter named have by their Petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said Petition; Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Incorporation.

1. Ralph James Cutten, financier, Edward Logan Chudleigh, financier, both of the city of Toronto, in the county of York, Albert Patrick Henry Cutten, gentleman, Charles Lawrence Dunbar and Angus Charles Dunbar, solicitors, all of the city of Guelph, in the county of Wellington, together with such persons as become shareholders in the Company, are incorporated under the name of "The Small Loan Company of Canada" hereinafter called "the Company".

Corporate name.

Provisional directors.

2. The persons named in section one of this Act shall be the provisional directors of the Company.

Capital stock.

3. The capital stock of the Company shall be one million dollars divided into ten thousand shares of one hundred dollars each.

Head office.

4. The head office of the Company shall be in the city of Toronto, in the province of Ontario.

Powers.

5. The Company may throughout Canada:—

(a) buy, sell, deal in and lend money on the security of conditional sales agreements, lien notes, hire purchase agreements, chattel mortgages, trade paper, bills of lading, warehouse receipts, bills of exchange and choses-in-action; and may receive and accept from the makers, vendors or transferors thereof guarantees or other

security for the performance and payment thereof and may enforce such guarantees and realize on such security.

R.S., c. 102. R.S., c. 135. R.S., c. 28.

(b) notwithstanding anything contained in the *Interest Act*, or in the *Money Lenders Act*, or in paragraph *(c)* of section sixty-three of the *Loan Companies Act*,

Loans.

(i) lend money secured by assignment of choses-in-action, chattel mortgages or such other evidence of indebtedness as the Company may require, and may charge interest thereon at a rate of not more than seven per centum per annum and may on all loans deduct the interest in advance and provide for repayments in weekly, monthly or other uniform repayments; Provided that the borrower shall have the right to repay the loan at any time before the due date, and, on such repayment being made, to receive a refund of such portion of the interest paid in advance as has not been earned, except a sum equal to the interest for three months;

Rate of interest. Proviso.

Refund.

Charges for expenses.

(ii) charge, in addition to interest as aforesaid, for all expenses which have been necessarily and in good faith incurred by the Company in making or renewing a loan authorized by the next preceding sub-paragraph (i), including all expenses for enquiry and investigation into the character and circumstances of the borrower, his endorsers, co-makers or sureties, for taxes, correspondence and professional advice, and for all necessary documents and papers, two per centum upon the principal sum loaned;

Additional charge.

(iii) notwithstanding anything in the next two preceding sub-paragraphs (i) and (ii) the Company shall, when a loan authorized by the said sub-paragraph (i) has been made or renewed on the security of a chattel mortgage, or of subrogation of taxes, be entitled to charge an additional sum equal to the legal and other actual expenses disbursed by the Company in connection with such loan, but not exceeding the sum of ten dollars, save that in the case of loans of one hundred dollars or less in amount, the said charge for the legal and other actual expenses disbursed by the Company in connection with the loan, but not exceeding the sum of ten dollars, shall be in lieu of the charge authorized by sub-paragraph (ii) of this paragraph;

but no charge for expenses of any kind shall be made or collected unless the loan has been actually made, nor on a renewal unless such a loan has been renewed after one year from the making thereof or after one year from the last renewal thereof and in neither such case shall the charge exceed the sum of five dollars;

Loans on real estate.

(c) lend money on security of real estate, or leaseholds, or purchase or invest in mortgages or hypothecs upon

freehold or leasehold estate and for subrogation of taxes;

As principals or agents.

(d) do all or any of the above mentioned things, and all things authorized by this Act, as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others;

Borrowing powers.

(e) if authorized by by-law sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the Company represented at a general meeting duly called for considering the by-law, the directors may from time to time;

(i) borrow money upon the credit of the Company;

(ii) limit or increase the amount to be borrowed;

(iii) hypothecate, mortgage or pledge the real or personal property of the Company, or both, to secure the payment of any money borrowed for the purposes of the Company.

(2) Nothing in this section contained shall limit or restrict the power of the Company to borrow money on bills of exchange or promissory notes, made, drawn, accepted or endorsed by or on behalf of the Company.

(3) Nothing in the Act contained shall authorize the Company to issue bonds, debentures or other securities for moneys borrowed, or to accept deposits.

Penalty.

(4) Any officer or director of the Company who does, causes or permits to be done, anything contrary to the provisions of this section shall be liable for each such offence to a penalty of not less than twenty dollars and not more than five thousand dollars in the discretion of the court before which such penalty is recoverable; and any such penalty shall be recoverable and disposed of in the manner prescribed by section ninety-eight of the *Loan Companies Act.*

Recovery and deposit. R.S., c. 28.

Application of Loan Companies Act.

6. Except as otherwise provided in the Act, the *Loan Companies Act*, chapter twenty-eight of the Revised Statutes of Canada, 1927, excepting therefrom paragraph *(f)* of subsection one of section sixty-one, paragraph *(c)* of subsection two of section sixty-one, subsection three of section sixty-two, sections sixty-four, sixty-five, sixty-six, sixty-seven, eighty-two and eighty-eight, shall apply to the Company.

Company may act as agent, etc.

7. If any person with whom the Company is transacting any business authorized by the Acts relating to the Company lawfully constitutes the Company his agent or attorney in that transaction and on account of that person for any or all of the following purposes, namely:—

(a) to sell or buy stocks, bonds or other securities; or

(b) to collect rents from real estate, payments whether of principal or interest on mortgages or real estate; or

(c) generally, to manage real estate; the Company may act as such agent or attorney.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 16.

An Act respecting the Canadian Pacific Railway Company.

First reading, February 21, 1934.

(PRIVATE BILL.)

Mr. DAVIES.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75734 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 16.

An Act respecting the Canadian Pacific Railway Company.

Preamble.
1919, c. 79; 1920, c. 75; 1922, c. 55; 1924, c. 78; 1927, c. 80; 1929, c. 65.

WHEREAS the Canadian Pacific Railway Company has by its petition prayed for the passing of an Act to extend the time for the completion of a certain line of railway, as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Extension of time for completion.

1. The Canadian Pacific Railway Company, hereinafter called "the Company," may within five years after the passing of this Act complete and put in operation the line of railway which it was authorized to construct by paragraph *(f)* of section one, of chapter sixty-five of the statutes of 1929, from a point on the Tuffnell-Prince Albert branch of the Manitoba and North Western Railway in or near the city of Prince Albert, or at or near the junction of the said branch with the Paddockwood branch of the Canadian National Railways, thence in a generally westerly, northerly and northwesterly direction to a point on the Alberta and Great Waterways Railway in or near township sixty-six or sixty-seven, range twelve or thirteen, west of the fourth meridian, in the province of Alberta; and if the said line of railway is not so completed and put in operation within the said period, the powers of construction conferred upon the Company by Parliament shall cease and be null and void as respects so much of the said line of railway as shall then remain uncompleted.

Prince Albert to a point on the Alberta and Great Waterways.

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 16.

An Act respecting the Canadian Pacific Railway Company.

AS PASSED BY THE HOUSE OF COMMONS, 22nd MAY, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75736 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 16.

An Act respecting the Canadian Pacific Railway Company.

Preamble.
1919, c. 79; 1920, c. 75; 1922, c. 55; 1924, c. 78; 1927, c. 80; 1929, c. 65.

WHEREAS the Canadian Pacific Railway Company has by its petition prayed for the passing of an Act to extend the time for the completion of a certain line of railway, as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Extension of time for completion.

Prince Albert to a point on the Alberta and Great Waterways.

1. The Canadian Pacific Railway Company, hereinafter called "the Company," may within five years after the passing of this Act complete and put in operation the line of railway which it was authorized to construct by paragraph *(f)* of section one, of chapter sixty-five of the statutes of 1929, from a point on the Tuffnell-Prince Albert branch of the Manitoba and North Western Railway in or near the city of Prince Albert, or at or near the junction of the said branch with the Paddockwood branch of the Canadian National Railways, thence in a generally westerly, northerly and northwesterly direction to a point on the Alberta and Great Waterways Railway in or near township sixty-six or sixty-seven, range twelve or thirteen, west of the fourth meridian, in the province of Alberta; and if the said line of railway is not so completed and put in operation within the said period, the powers of construction conferred upon the Company by Parliament shall cease and be null and void as respects so much of the said line of railway as shall then remain uncompleted.

17.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 17.

An Act respecting the appointment of Auditors for National Railways.

First reading, February 21, 1934.

The MINISTER OF RAILWAYS AND CANALS.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1934

75538

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 17.

An Act respecting the appointment of Auditors for National Railways.

Preamble.

1932-33, c. 33.

WHEREAS by section thirteen of *The Canadian National-Canadian Pacific Act. 1933*, it is provided that a continuous audit of the accounts of National Railways shall be made by independent auditors appointed annually by a Resolution of Parliament;

And whereas it is expedient that the said auditors should be appointed by an Act of Parliament: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Auditors appointed.

1. , of the city of , chartered accountants, are appointed as independent auditors to make a continuous audit under the provisions of section thirteen of *The Canadian National-Canadian Pacific Act, 1933*, of the accounts of National Railways as defined in the said Act.

Explanatory Note.

The object of this Bill is to appoint independent auditors for the Canadian National Railways by an Act of Parliament instead of a Resolution of Parliament as provided in section thirteen of *The Canadian National-Canadian Pacific Act, 1933*.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 17.

An Act respecting the appointment of Auditors for National Railways.

AS PASSED BY THE HOUSE OF COMMONS, 23rd FEBRUARY, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75540 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 17.

An Act respecting the appointment of Auditors for National Railways.

Preamble.

1932-33, c. 33.

WHEREAS by section thirteen of *The Canadian National-Canadian Pacific Act, 1933*, it is provided that a continuous audit of the accounts of National Railways shall be made by independent auditors appointed annually by a Resolution of Parliament;

And whereas it is expedient that the said auditors should be appointed by an Act of Parliament: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Auditors appointed.

1. George A. Touche and Company, of the cities of Toronto and Montreal, chartered accountants, are appointed as independent auditors for the year 1934, to make a continuous audit under the provisions of section thirteen of *The Canadian National-Canadian Pacific Act, 1933*, of the accounts of National Railways as defined in the said Act.

Explanatory Note.

The object of this Bill is to appoint independent auditors for the Canadian National Railways by an Act of Parliament instead of a Resolution of Parliament as provided in section thirteen of *The Canadian National-Canadian Pacific Act, 1933*.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 18.

An Act respecting Banks and Banking.

First reading, February 22, 1934.

The MINISTER OF FINANCE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
72568 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 18.

An Act respecting Banks and Banking

(All new matter is underlined, and omissions are shown on the opposite page)

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE.

Short title.

1. This Act may be cited as *The Bank Act.* R.S., c. 12, s. 1.

INTERPRETATION.

Definitions.

2. In this Act, unless the context otherwise requires,

"Association."

(*a*) " Association " means The Canadian Bankers' Association, incorporated by chapter 93 of the statutes of 1900, intituled *An Act to incorporate The Canadian Bankers' Association;*

"Bank."

(*b*) " bank " means any bank to which this Act applies but does not refer to the Bank of Canada;

"Bill of lading."

(*c*) " bill of lading " includes all receipts for goods, wares or merchandise, accompanied by an undertaking to transport the same from the place where they were received to some other place, by any mode of carriage whatever;

"Circulation Fund."

(*d*) "Circulation Fund" means the fund heretofore established and continued by the authority of this Act under the name of the Bank Circulation Redemption Fund;

"Curator."

(*e*) "Curator" means any person appointed under the authority of this Act by The Canadian Bankers' Association to supervise the affairs of any bank which has suspended payment in specie or Dominion notes or Bank of Canada notes of any of its liabilities as they accrue;

"Farmer."

(*f*) "farmer" includes the owner, occupier, landlord and tenant of a farm;

"Goods, wares and merchandise."

(g) "goods, wares and merchandise" includes, in addition to the things usually understood thereby, products of agriculture, products of the forest, products of the quarry and mine, products of the sea, lakes and rivers, and other articles of commerce;

"Grain."

(h) "grain" includes wheat, oats, barley, rye, corn, buckwheat and flax;

"Inspector."

(i) "Inspector" means the Inspector General of Banks appointed under section fifty-six of this Act;

"Manufacturer."

(j) "manufacturer" includes manufacturers of logs, timber or lumber, maltsters, distillers, brewers, refiners and producers of petroleum, tanners, curers, packers, canners of meat, pork, fish, fruit or vegetables, and any person who produces by hand, art, process or mechanical means any goods, wares or merchandise;

"Minister."

(k) "Minister" means the Minister of Finance and Receiver General;

"President."

(l) "president" does not include an honorary president;

"Products of agriculture."

(m) "products of agriculture" in addition to the direct products of the soil such as hay, grain, roots, vegetables, fruits and other crops, includes milk, cream, butter, cheese, honey, poultry (dead), and eggs, hides, skins and wool, and dried, canned and preserved vegetables and fruits, live stock or dead stock and the products thereof; and "live stock" for the purposes of this Act means horses and mares, bulls, cows, oxen, bullocks, steers, heifers and calves, sheep and swine and the offspring of any of such animals;

"Products of the forest."

(n) "products of the forest" includes bark, logs, pulpwood, piling, spars, railway ties, poles, mining and all other timber, shingles, laths, deals, boards, staves and all other lumber, and the skins and furs of wild animals;

"Products of the quarry and mine."

(o) "products of the quarry and mine" includes stone, clay, sand, gravel, metals, metallic ores, coal, salt, precious stones, petroleum, crude oil, and all minerals, whether obtained by excavation or otherwise, and the products of any of them;

"Products of the sea, lakes and rivers."

(p) "products of the sea, lakes and rivers" includes, in addition to fish of all kinds, whether fresh, frozen, salted, dried, canned, preserved in oil or otherwise preserved, whales and seals, their oil, skins and bone, oysters, lobsters and other crustaceans, fresh and canned or otherwise preserved;

"Trustees."

"Trustee."

(q) "trustees" means the persons appointed by the Association and by the Minister to receive and hold the central gold reserves, and "trustee" means any one of the trustees, and if one or more of the trustees is a corporation then "trustee" includes each of the officers of such corporation who is responsible for any action taken by the corporation for the purposes of this Act;

(g) The words "petroleum and crude oil" are omitted inasmuch as the expression "products of the quarry and mine" is to be defined in a new paragraph of this section lettered *(o)*, as hereinafter set out, and the new definition will include the words "petroleum and crude oil".

(m) This definition has been enlarged to include "live stock" heretofore defined in section 88 (13).

(o) In the 1913 revision, section 2 defined "products of agriculture", "products of the forest" and "products of the sea, lakes and rivers", while no definition was made of "products of the quarry and mine". That omission is remedied by the new paragraph lettered *(o)*.

By this definition the products of petroleum and crude oil, the manufacture of which in recent years has become greatly extended in Canada and the products themselves increasingly important as articles of commerce, will be made eligible both for manufacturers and wholesalers as the basis for credits. At present, while petroleum and crude oil are the basis for advances to wholesale manufacturers, it is doubtful if the products of these articles—gasolene, crude oil, asphalt, wax, fuel oil, and other distillates—while in the possession of the manufacturing refiner, can be regarded as available for security under the provisions of the Act, because these products are not included in the definition of "goods, wares and merchandise", while other classes of products are expressly included.

In the case of wholesale purchasers or dealers, no advances can be made against either petroleum or crude oil or their products, owing to the inference to be drawn from the definition in 2 *(g)* that "petroleum and crude oil" are not "products of the quarry and mine" as they are mentioned specially in *(g)* apart from such products. The proposed amendment will make these articles available to the borrower as security for advances.

"Warehouse receipt."

(*r*) "warehouse receipt" includes

(i) any receipt given by any person for any goods, wares or merchandise in his actual, visible and continued possession as bailee thereof in good faith and not as of his own property, and

(ii) receipts given by any person who is the owner or keeper of a harbour, cove, pond, wharf, yard, warehouse, shed, storehouse or other place for the storage of goods, wares or merchandise, for goods, wares and merchandise delivered to him as bailee, and actually in the place or in one or more of the places owned or kept by him, whether such person is engaged in other business or not, and

(iii) receipts given by any person in charge of logs or timber in transit from timber limits or other lands to the place of destination of such logs or timber, and

(iv) Lake Shippers Clearance Association receipts and all documents recognized by *The Canada Grain Act* as warehouse receipts. R.S., c. 12, s. 2, am.

Public notice, how given.

3. (1) Where by this Act any public notice is required to be given the notice shall, unless otherwise specified, be given by advertisement

(*a*) in one or more newspapers published at the place where the chief office of the bank is situate; and

(*b*) in the *Canada Gazette*.

Sufficiency of publication.

(2) When by this Act a notice is required to be published in a newspaper for four weeks or any longer period, publication each week in a weekly newspaper, or once a week during the period in a newspaper published more frequently, shall be a sufficient publication for the purposes of this Act.

Notice of call.

(3) When by this Act notice of any call is required to be given to the shareholders the notice shall, unless otherwise specified, be sufficiently given by mailing the notice in the post office, registered and post paid, to the last known post office address of the respective shareholders as shown by the records of the bank, at least thirty days prior to the day on which the call is payable. R.S., c. 12, s. 3.

APPLICATION.

General.

To what banks this Act applies.

4. The provisions of this Act apply to the several banks enumerated in Schedule A to this Act, and to every bank incorporated after the first day of January, one thousand nine hundred and thirty-four, whether this Act is specially mentioned in its Act of incorporation or not, but not to any other bank except as hereinafter specially provided, nor to the Bank of Canada, except as hereinafter specially provided. R.S., c. 12, s. 4, am.

Bank charters continued to July 1st, 1944, as to some particulars.

5. (1) Each of the several banks under the name mentioned in Schedule A to this Act is, and shall continue to be, a body politic and corporate until the first day of July, one thousand nine hundred and forty-four, and this Act shall form and be the charter of each of the said banks until the first day of July aforesaid.

Chief office and capital.

(2) The chief office of each bank, and, subject to the provisions of this Act with regard to increase or decrease, the amount of its authorized capital stock, divided into shares of one hundred dollars each, shall be as set out in Schedule A to this Act.

As to other particulars.

(3) As to all other particulars this Act shall form and be the charter of each of the said banks until the first day of July, one thousand nine hundred and forty-four. R.S., c. 12, s. 5, am.

Forfeited or void charters not continued.

6. Nothing in the next preceding section shall be deemed to continue in force any charter or Act of incorporation, if, or in so far as it is, under the terms thereof, or under the terms of this Act or of any other Act passed or to be passed, forfeited or rendered void by reason of the non-performance of the conditions of such charter or Act of incorporation, or by reason of insolvency, or for any other reason. R.S., c. 12, s. 6.

Act continues to apply for purposes of winding-up.

7. (1) The provisions of this Act shall continue to apply to the banks named in Schedule A to chapter nine of the Acts of the year one thousand nine hundred and thirteen, intituled *An Act respecting Banks and Banking*, and not named in Schedule A to this Act, but only in so far as may be necessary to wind up the business of the said banks respectively.

(2) The charters or Acts of incorporation of the said banks, and any Acts in amendment thereof, or any Acts in relation to the said banks now in force, shall respectively continue in force for the purposes of winding up, and for such purposes only. R.S., c. 12, s. 7.

INCORPORATION AND ORGANIZATION OF BANKS

Particulars of Act of incorporation.

8. The capital stock of every bank, the name of the bank, the place where its chief office is to be situated, and the names of the provisional directors, shall be declared in the Act of incorporation of every such bank respectively. R.S., c. 12, s. 8.

Form thereof.

9. An Act of incorporation of a bank in the form set forth in Schedule B to this Act shall be construed to confer upon the bank thereby incorporated all the powers, privileges and immunities, and to subject it to all the liabilities and provisions set forth in this Act. R.S., c. 12, s. 9.

5. By chapter 23 of the Statutes of 1932-33, the charters of the Banks were continued in force until the first day of July, 1934.

7. This section remains the same as in the existing Act. The year "one thousand nine hundred and thirteen" is retained to provide for the completion of any winding-up that may be necessary in connection with the Sovereign Bank of Canada, the Bank of Vancouver and the Home Bank of Canada.

Capital stock and shares.

10. The capital stock of any bank shall not be less than five hundred thousand dollars, and shall be divided into shares of one hundred dollars each. R.S., c. 12, s. 10.

Provisional directors.

11. (1) The number of provisional directors shall be not less than five.

Qualification.

(2) A provisional director shall not be eligible to act as such unless he is a *bona fide* subscriber of stock of the bank for and on his own behalf, so as to become the absolute and sole owner in his individual right of such stock, and not as trustee or in the right of another, on which subscription not less than

(a) three thousand dollars have been paid up, when the paid-up capital stock of the bank is one million dollars or less;

(b) four thousand dollars have been paid up, when the paid-up capital stock of the bank is over one million dollars and does not exceed three million dollars;

(c) five thousand dollars have been paid up, when the paid-up capital stock of the bank exceeds three million dollars.

Tenure of office.

(3) The provisional directors shall hold office until directors are elected by the subscribers to the stock, as hereinafter provided. R.S., c. 12, s. 11.

Opening of stock books.

12. (1) For the purpose of organizing the bank, the provisional directors may, after giving ten days' public notice thereof, cause stock books to be opened, in which shall be recorded the subscriptions of such persons as desire to become shareholders in the bank.

Where.

(2) The stock books shall be opened at the place where the chief office of the bank is to be situated, and elsewhere in the discretion of the provisional directors.

Particulars entered.

(3) Each subscriber shall, at the time of subscription, give his post office address, and description, and these particulars shall appear in the stock books in connection with the name of the subscriber and the number of shares subscribed for.

Notice of double liability.

(4) There shall be printed in small pica type, or type of larger size, on each page in the stock books upon which subscriptions are recorded, and on every document constituting or authorizing a subscription, on a part of the page and document, respectively, which may be readily seen by the person recording the subscription, or by the person signing the document, a copy of section one hundred and twenty-five of this Act.

Time stock books open.

(5) The stock books may be kept open for such time as the provisional directors deem necessary.

Recovery of unpaid subscriptions.

(6) In case of the non-payment of any instalment or other sum payable by a subscriber on account of his subscription, the provisional directors may, in the corporate name of the bank, sue for, recover, collect and get in any such instalment or sum. R.S., c. 12, s. 12.

First meeting of subscribers.

13. (1) Whenever a sum not less than five hundred thousand dollars of the capital stock of the bank has been *bona fide* subscribed, and payments in money on account thereof have been made by the subscribers, the total of such payments making a sum not less than two hundred and fifty thousand dollars, and as soon thereafter as the provisional directors have paid thereout to the Minister the sum of two hundred and fifty thousand dollars, the provisional directors may, by public notice published for at least four weeks, and by notice with postage prepaid mailed to the last known address of each subscriber at least ten days prior to the date of such meeting, call a meeting of the subscribers to the said stock, to be held in the place named in the Act of incorporation as the chief office of the bank, at such time and at such place as is set forth in the said notice.

What is a *bona fide* subscription.

(2) For the purposes of the foregoing subsection no subscription shall be deemed to have been made *bona fide* or be complete unless and until payment in money equal to at least ten per centum of the amount subscribed has been made on account of such subscription by the subscriber, and such payment, with the date thereof, shall be entered on the stock books opposite to such subscription.

Business at meeting.

(3) The subscribers shall, at such meeting,

(a) determine the day upon which the annual general meeting of the bank is to be held;

(b) elect such number of directors, duly qualified under this Act, not less than five, as they think necessary, and

(c) provide for the method of filling vacancies in the board of directors until the annual general meeting.

Tenure of directors.

(4) Such directors shall hold office until the annual general meeting next succeeding their election.

Provisional directors cease.

(5) Upon the election of directors as aforesaid the functions of the provisional directors shall cease. R.S., c. 12, s. 13.

Permission to commence business.

14. (1) The bank shall not issue notes or commence the business of banking until it has obtained from the Treasury Board a certificate permitting it so to do.

No certificate until directors elected.

(2) No application for such certificate shall be made until directors have been elected by the subscribers to the stock in the manner hereinbefore required. R.S., c. 12, s. 14.

Statement of payments by provisional directors.

15. (1) At the time of the application for the certificate, there shall be submitted to the Treasury Board a sworn statement setting forth the several sums of money paid in connection with the incorporation and organization of the bank, and such statement shall, in addition, include a list of all the unpaid liabilities, if any, in connection with or arising out of such incorporation and organization.

To what limited.

(2) Prior to the time at which the certificate is given no payments on account of incorporation and organization expenses shall be made out of moneys paid in by subscribers

except reasonable sums for the payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any.

When certificate may be granted.

(3) No certificate shall be given by the Treasury Board until it has been shown to the satisfaction of the Board, by affidavit or otherwise, that all the requirements of this Act and of the special Act of incorporation of the bank, as to the subscriptions to the capital stock, the payment of money by subscribers on account of their subscriptions, the payment required to be made to the Minister, the election of directors, deposit for security of note issue, or other preliminaries, have been complied with, and that the sum so paid is then held by the Minister, and unless it appears to the Board that the expenses of incorporation and organization are reasonable.

Within one year.

(4) No such certificate shall be given except within one year from the passing of the Act of incorporation of the bank applying for the said certificate. R.S., c. 12, s. 15.

If certificate not granted, powers to cease.

16. (1) If the bank does not obtain a certificate from the Treasury Board within one year from the time of the passing of its Act of incorporation, all the rights, powers and privileges conferred on the bank by its Act of incorporation shall thereupon cease and determine, and be of no force or effect whatever.

Ordinary disbursements allowed, but other expenses subject to resolution.

(2) If stock books have been opened and subscriptions in whole or in part paid, but no certificate from the Treasury Board obtained within the time limited by the preceding subsection, no part of the money so paid, or accrued interest thereon, shall be disbursed for commissions, salaries, charges for services or for other purposes, except a reasonable amount for payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any, unless it is so provided by resolution of the subscribers at a meeting convened after notice, at which the greater part of the money so paid is represented by subscribers or by proxies of subscribers; and each subscriber shall be entitled at such a meeting to one vote for each ten dollars paid on account of his subscription.

Application to court to settle amount of disbursements.

(3) If the amount allowed by such resolution for commissions, salaries or charges for services be deemed insufficient by the provisional directors, or directors elected in the manner hereinbefore provided, as the case may be, or if no resolution for such purpose be passed after a meeting has been duly called, then the provisional directors, or directors elected as aforesaid, may apply to a judge of any superior or county court having jurisdiction where the chief office of the bank is fixed by its Act of incorporation, to settle and determine all charges and the reasonableness of the amount of the disbursements already made to which

such money and interest, if any, shall be subject, before distribution of the balance to the subscribers.

Notice of meeting and application to court, with statement.

(4) Notice of the meeting and notice of the application respectively referred to in the next preceding subsections shall be given by mailing the notice in the post office, registered and post paid, at least twenty-one days prior to the date fixed for such meeting or the hearing of such application, to the several subscribers to their respective post office addresses as contained in the stock books; and each of such notices shall contain a statement, in summary form, of the several amounts for commissions, salaries, charges for services and disbursements which it is proposed shall be provided by resolution for payment, or settled and determined by a judge, as the case may be.

Voting.

(5) Votes of subscribers may be given at such meeting by proxy, the holder of such proxy to be a subscriber, and subscribers may be heard either in person or by counsel on such application.

Ratio payable by subscribers.

(6) In order that the sums paid and payable under the provisions of this section may be equitably borne by the subscribers, the provisional directors or the directors, as the case may be, shall, after the amount of such sums is ascertained as herein provided, fix the proportionate part thereof chargeable to each subscriber at the ratio of the number of shares in respect of which he is a subscriber to the total number of shares *bona fide* subscribed.

Payment of excess.

(7) The respective amounts so fixed shall, before return to the subscriber of the sums paid in by him, be deducted therefrom, and if the respective sums paid in are not as much as the amounts so fixed, then the excess in each case shall be payable forthwith by the subscriber to the provisional directors or the directors, as the case may be.

Deductions.

(8) The total of the amounts in excess mentioned in the next preceding subsection which the provisional directors or the directors are unable to get in or collect in what seems to them a reasonable time shall, with any legal costs incurred, be deducted by them from the sums then remaining in their hands to the credit of the several subscribers in the ratio hereinbefore mentioned, the shares in respect of which no such collections have been made being eliminated from the basis of calculation.

Return of excess to subscribers.

(9) The provisional directors or directors, after payment by them of the sums payable under this section, shall return to the subscribers, with any interim interest accretions, the respective balances of the moneys paid in by the subscribers. R.S., c. 12, s. 16.

Deposit, how disposed of if certificate granted.

17. (1) Upon the issue of the certificate in manner hereinbefore provided, the Minister shall forthwith pay to the bank the amount of money so deposited with him as aforesaid, without interest, after deducting therefrom the sum of five thousand dollars required to be deposited under the

provisions of this Act for the securing of the notes issued by the bank.

If certificate not granted.

(2) In case no certificate is issued by the Treasury Board within the time limited for the issue thereof, the amount so deposited shall be returned to the bank for distribution in the manner provided by this Act.

Minister not bound.

(3) In no case shall the Minister be under any obligation to see to the proper application in any way of the amount so returned. R.S., c. 12, s. 17.

INTERNAL REGULATIONS.

Regulation by by-law.

18. (1) The shareholders of the bank may, at any annual general meeting or at any special general meeting duly called for the purpose, regulate, by by-law, the following matters incident to the management and administration of the affairs of the bank, that is to say:—

(a) the day upon which the annual general meeting of the shareholders for the election of directors shall be held;

(b) the record to be kept of proxies, and the time, not exceeding twenty days, within which proxies must be produced and recorded prior to a meeting in order to entitle the holder to vote thereon;

(c) the number of the directors, which shall be not less than five, and the quorum thereof, which shall be not less than three;

(d) the qualifications of directors, subject to the provisions hereinafter contained;

(e) the method of filling vacancies in the board of directors, whenever the same occur during each year;

(f) the time and proceedings for the election of directors in case of a failure of any election on the day appointed for it;

(g) the remuneration of the president, vice-president and other directors; and,

(h) subject to the provisions of this Act, the amount of discounts or loans which may be made to directors, either jointly or severally, or to any one firm or person, or to any shareholder, or to corporations.

Copy of by-laws to be sent to shareholders.

(2) A copy of the by-laws in force on the first day of July, one thousand nine hundred and thirty-eight, in respect of the several matters hereinbefore in this section set out, together with a copy of this section of the Act, shall, before the thirty-first day of December, one thousand nine hundred and thirty-eight, be sent to each shareholder at his last known post office address, as shown by the books of the bank; and after the first day of July, one thousand nine hundred and thirty-eight, within six months after the end of each successive five-year period, a copy of the

18. *(h)* See section 75 (2) *(f)* and 75 (3) for limiting provisions.

(2) The existing Act provided that copies of the bylaws in force be sent to each shareholder on or before December 31, 1923, and at the end of each successive five-year period, the result being that this section was last complied with in 1933. The wording of the subsection is to ensure a continuation of the practice already established.

by-laws, in respect of the said matters, hereinbefore in this section set out, in force at the end of each such period, shall be sent as aforesaid.

Guarantee and pension funds.

(3) The shareholders may authorize the directors to establish guarantee and pension funds for the officers and employees of the bank and their families, and to contribute thereto out of the funds of the bank, and such guarantee or pension fund, whether or not contributed in whole or in part out of the funds of the bank, shall be invested in securities in which a trustee may invest under the *Trust Companies Act*.

Existing by-laws continued.

Exception.

(4) Until it is otherwise prescribed by by-law under this section, the by-laws of the bank on any matter which may be regulated by by-law under this section shall remain in force, except as to any provision fixing the qualification of directors at an amount less than that prescribed by this Act. R.S., c. 12, s. 18, am.

Management.

19. The stock, property, affairs and concerns of the bank shall be managed by a board of directors. R.S., c. 12, s. 19.

Qualification of directors.

20. (1) Each director shall hold stock of the bank, of which stock he shall be the absolute and sole owner in his individual right and not as trustee or in the right of another, on which not less than

(a) three thousand dollars have been paid up, when the paid-up capital stock of the bank is one million dollars or less;

(b) four thousand dollars have been paid up, when the paid-up capital stock of the bank is over one million dollars and does not exceed three million dollars;

(c) five thousand dollars have been paid up, when the paid-up capital stock of the bank exceeds three million dollars.

Required stock holdings.

(2) No person shall be elected or continue to be a director unless he holds stock, of which he is the owner as aforesaid, paid up to the amount required by this Act, or such greater amount as is required by any by-law in that behalf.

Majority to be British subjects.

(3) A majority of the directors shall be natural born or naturalized subjects of His Majesty and domiciled in Canada. R.S., c. 12, s. 20.

Election of directors.

21. (1) The directors shall be elected by the shareholders at the annual general meeting and shall be eligible for re-election.

At chief office.

(2) The election shall take place at the place where the chief office of the bank is situate.

18. (4) The existing subsection (4) is omitted. It reads as follows:—

"4. Any conversion of investments rendered necessary by this provision shall be made within such time or times as the Minister may deem reasonable."

This subsection, which was enacted in 1923, has served its purpose.

Notice.

(3) Public notice of the annual general meeting shall be given by the directors by publishing such notice, for at least four weeks prior to the time of holding the said meeting, in a newspaper published at the place where the chief office of the bank is situate, and by mailing a copy of such notice to each shareholder at his last known post office address, as shown by the books of the bank, at least twenty days prior to the time aforesaid.

Who shall be directors.

(4) The persons, to the number authorized to be elected, who have the greatest number of votes at any election, shall be directors. R.S., c. 12, s. 21, am.

Provision in case of equality of votes.

22. If it happens at any election that two or more persons have an equal number of votes, and the election or non-election of one or more of such persons as a director or directors depends on such equality, then the directors who have a greater number of votes, or the majority of them, shall, in order to complete the full number of directors, determine which of the said persons so having an equal number of votes shall be a director or directors. R.S., c. 12, s. 22.

Election of president and vice-president.

23. (1) The directors, as soon as may be after their election, shall proceed to elect, by ballot, from their number a president and one or more vice-presidents.

Honorary president.

(2) The directors may also elect by ballot one of their number to be chairman of the board and one to be honorary president. R.S., c. 12, s. 23, am.

Vacancies how filled.

24. If a vacancy occurs in the board of directors the vacancy shall be filled in the manner provided by the by-laws: Provided that, if the vacancy is not filled, the acts of a quorum of the remaining directors shall not be thereby invalidated. R.S., c. 12, s. 24.

Proviso.

Vacancy in presidency or vice-presidency.

25. If a vacancy occurs in the office of the president or vice-president, the directors shall, from among themselves, elect a president or a vice-president, who shall continue in office for the remainder of the year. R.S., c. 12, s. 25.

Postponed election of directors.

26. (1) If an election of directors is not made on the day appointed for that purpose, such election may take place on any other day, according to the by-laws made by the shareholders in that behalf.

Continuance in office.

(2) The directors in office on the day appointed for the election of directors shall remain in office until a new election is made. R.S., c. 12, s. 26.

Meetings of directors.

27. (1) The chairman of the board, if any, or the president, or in their absence a vice-president, shall preside at all meetings of the directors.

21. (3) The word "prior" is substituted for the word "previously" in the third line of this subsection.

23. (2) A number of the banks have one of the directors elected to the post of chairman of the board. The amendment will give official recognition to that practice.

27. (1) and (2) These amendments are made in consequence of the amendment to subsection 2 of section 23.

Temporary chairman.

(2) If at any meeting of the directors the chairman of the board, if any, the president and vice-president are absent, one of the directors present, chosen to act *pro tempore*, shall preside.

Casting vote.

(3) The person so presiding shall vote as a director, and shall, if there is an equal division on any question, also have a casting vote.

Record of attendance of directors.

(4) A record shall be kept of the attendance at each meeting of directors, and a summary thereof prepared so as to show the total number of directors' meetings held and the number attended by each director shall be sent to each shareholder with the notice of the annual general meeting hereinbefore mentioned.

Services rendered by directors.

(5) Such summary may state the nature and extent of the services rendered by any director who, by reason of residing at a point remote from the chief office of the bank, has been unable to attend meetings of directors. R.S., c. 12, s. 27, am.

General powers of directors.

28. (1) The directors may make by-laws and regulations, not repugnant to the provisions of this Act, or to any by-law duly passed by the shareholders or to the laws of Canada, with respect to

(a) the management and disposition of the stock, property, affairs and concerns of the bank;

(b) the duties and conduct of the officers, clerks and servants employed therein; and

(c) all such other matters as appertain to the business of a bank.

Existing by-laws continued.

(2) All by-laws of the bank lawfully made and in force with regard to any matter respecting which the directors may make by-laws under this section, including any by-laws for the establishing of guarantee and pension funds for the employees of the bank, shall remain in force until they are repealed or altered by other by-laws made under this Act. R.S., c. 12, s. 28.

Appointment of officers.

Directors may authorize officer to make appointments.

Salaries.

Security.

29. (1) The directors may appoint as many officers, clerks and servants as they may consider necessary for carrying on the business of the bank, and may authorize any officer of the bank to make such of these appointments as they may deem expedient.

(2) Such officers, clerks and servants may be paid such salaries and allowances as the directors or such officer, in the case of appointments made by him, consider necessary.

(3) The directors before permitting any general manager, manager, or other officer, clerk or servant of the bank to enter upon the duties of his office, and any officer, authorized as aforesaid, before permitting any officer, clerk or servant of the bank appointed by him to enter upon the duties of his office, shall require him to give a bond, guarantee or other security to the satisfaction of the directors or such

officer as the case may be, for the due and faithful performance of his duties. R.S., c. 12, s. 29.

Special general meeting.

30. (1) A special general meeting of the shareholders of the bank may be called at any time by

(a) the directors of the bank or any four of them; or

(b) any number not less than twenty-five of the shareholders, acting by themselves or by their proxies, who are together owners of at least one-tenth of the paid-up capital stock of the bank.

Notice.

(2) Such directors or shareholders shall give six weeks' previous public notice, specifying therein the object of such meeting.

Place.

(3) Such meeting shall be held at the usual place of meeting of the shareholders.

Removal of president, vice-president or director.

(4) If the object of the special general meeting is to consider the removal, for maladministration or other specified and apparently just cause, of the president or a vice-president, or of a director of the bank, and if a majority of the votes of the shareholders at the meeting is given for such removal, a director to replace him shall be elected or appointed in the manner provided by the by-laws of the bank, or, if there are no by-laws providing therefor, by the shareholders at the meeting.

Another to replace.

Choosing another president or vice-president.

(5) If it is the president or a vice-president who is removed, his office shall be filled by the directors in the manner provided in case of a vacancy occurring in the office of president or vice-president. R.S., c. 12, s. 30.

One vote for each share.

31. (1) Every shareholder shall, on all occasions on which the votes of the shareholders are taken, have one vote for each share held by him for at least thirty days before the time of meeting.

Ballot.

(2) In all cases when the votes of the shareholders are taken, the voting shall be by ballot.

Majority to determine.

(3) All questions proposed for the consideration of the shareholders shall be determined by a majority of the votes of the shareholders present or represented by proxy.

Casting vote.

(4) The chairman elected to preside at any meeting of the shareholders shall vote as a shareholder only, unless there is a tie, in which case he shall, except as to the election of a director, have a casting vote.

As to joint holders of shares.

(5) If two or more persons are joint holders of shares, any one of the joint holders may be empowered, by letter of attorney from the other joint holder or holders, or a majority of them, to represent the said shares, and to vote accordingly.

Proxies.

(6) Shareholders may vote by proxy, but no person other than a shareholder eligible to vote shall be permitted to vote or act as proxy.

Officers not to vote.

(7) No general manager, manager, clerk or other subordinate officer of the bank shall vote either in person or by proxy, or hold a proxy for the purpose of voting.

Renewal of proxies.

(8) No appointment of a proxy to vote at any meeting of the shareholders of the bank shall be valid for that purpose unless it has been made or renewed in writing within one year last preceding the time of such meeting.

Calls must be paid before voting.

(9) No shareholder shall vote, either in person or by proxy, on any question proposed for the consideration of the shareholders of the bank at any meeting of the shareholders, or in any case in which the votes of the shareholders of the bank are taken, unless he has paid all calls made by the directors which are then due and payable. R.S., c. 12, s. 31.

CAPITAL STOCK.

Increase of capital.

32. (1) The capital stock of the bank may be increased, from time to time, by such percentage, or by such amount, as is determined upon by by-law passed by the shareholders at the annual general meeting, or at any special general meeting called for the purpose.

Approval of Treasury Board.

(2) No such by-law shall come into operation, or be of any force or effect, unless and until a certificate approving thereof has been issued by the Treasury Board.

Conditions for approval.

(3) No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of the by-law, nor unless it appears to the satisfaction of the Treasury Board that a copy of the by-law, together with notice of intention to apply for the certificate, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the chief office of the bank is situate.

Treasury Board may refuse.

(4) Nothing herein contained shall be construed to prevent the Treasury Board from refusing to issue such certificate if it thinks best so to do. R.S., c. 12, s. 32.

Allotment.

33. (1) Any of the original unsubscribed capital stock, or of the increased stock of the bank, shall, at such time as the directors determine, be allotted to the then shareholders of the bank *pro rata*, at such price, not less than par, and on such terms as are fixed by the directors: Provided that—

To present shareholders.

(a) no fraction of a share shall be so allotted;

(b) in no case shall a rate be fixed by the directors, which will make the premium, if any, paid or payable on the stock so allotted, exceed the percentage which the rest or reserve fund of the bank then bears to the paid-up capital stock thereof;

(c) payment shall not be required in greater amounts or at shorther intervals than ten per centum of the price every thirty days; and

(d) the price of such stock shall be paid in money.

Notice of allotment.

(2) Notice of allottment shall be mailed to the shareholders at their last known post office address as shown by the record of the bank, and the directors shall in such notice fix a date not less than ninety days from the day on which the notice is mailed within which the allottment is to be accepted.

Offer to the public.

(3) Any of such allotted stock which is not accepted by a shareholder to whom the allotment has been made, within the time so fixed, or which he declines to accept, together with such shares as remain unallotted because of the provisions of this section that no fraction of a share can be allotted, may be offered for subscription to the public in such manner and on such terms as the directors prescribe.

Distribution of fractions.

(4) Any sums received in excess of the rate per share fixed by the directors under this section in respect of fractions of shares offered for subscription to the public shall be rateably distributed to the respective shareholders from whose shares the fractions arose. R.S., c. 12, s. 33.

Reduction of capital.

34. (1) The capital stock of the bank may be reduced by by-law passed by the shareholders at the annual general meeting, or at a special general meeting called for the purpose.

Approval Treasury Board.

(2) No such by-law shall come into operation or be of force or effect until a certificate approving thereof has been issued by the Treasury Board.

Conditions for approval.

(3) No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of the by-law, nor unless it appears to the satisfaction of the Board that

(a) the shareholders voting for the by-law represent a majority in value of all the shares then issued by the bank; and

(b) a copy of the by-law, together with notice of intention to apply to the Treasury Board for the issue of a certificate approving thereof, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the chief office of the bank is situate.

Statements to be submitted to Treasury Board.

(4) In addition to evidence of the passing of the by-law, and of the publication thereof in the manner in this section provided, statements showing

(a) the amount of stock issued;

(b) the number of shareholders represented at the meeting at which the by-law passed;

(c) the amount of stock held by each such shareholder;

(d) the number of shareholders who voted for the by-law;

(e) the amount of stock held by each of such last mentioned shareholders;

(f) the assets and liabilities of the bank in full; and

(g) the reasons and causes why the reduction is sought

shall be laid before the Treasury Board at the time of the application for the issue of a certificate approving the by-law.

Treasury Board may refuse.

(5) Nothing herein contained shall be construed to prevent the Treasury Board from refusing to issue the certificate if it thinks best so to do.

Not to affect liability of shareholders.

(6) The passing of the by-law, and any reduction of the capital stock of the bank thereunder, shall not in any way diminish or interfere with the liability of the shareholders of the bank to the creditors thereof at the time of the issue of the certificate approving the by-law.

If legislation is asked to sanction reduction.

(7) If in any case legislation is sought to sanction any reduction of the capital stock of any bank, a copy of the by-law or resolution passed by the shareholders in regard thereto, together with statements similar to those by this section required to be laid before the Treasury Board, shall, at least one month prior to the introduction into Parliament of the bill relating to such reduction, be filed with the Minister.

Limit of reduction.

(8) The capital shall not be reduced below the amount of two hundred and fifty thousand dollars of paid-up stock. R.S., c. 12, s. 34.

SHARES AND CALLS.

Shares personalty.

35. (1) The shares of the capital stock of the bank shall be personal property.

Books of subscription.

(2) For the purpose of disposing of stock which may be offered for subscription to the public under section thirty-three of this Act, stock books may be opened at the chief office of the bank, or at such of its branches, or elsewhere, as the directors prescribe.

Particulars entered.

(3) Each subscriber shall, at the time of subscription, give his post office address, and description, and these particulars shall appear in the stock books in connection with the name of the subscriber and the number of shares subscribed for. R.S., c. 12, s. 35.

Notice of double liability.

36. There shall be printed in small pica type, or type of larger size, on each page in the stock books upon which subscriptions are recorded and on every document constituting or authorizing a subscription, on a part of the page and document respectively, which may be readily seen

by the person recording the subscription, or by the person signing the document, a copy of section one hundred and twenty-five of this Act. R.S., c. 12, s. 36.

Calls on shares.

37. (1) The directors may make such calls of money from the several shareholders for the time being, upon the shares subscribed for by them respectively, as they find necessary.

Number of.

(2) Any number of calls may be made by one resolution.

Intervals for calls.

(3) Such calls shall be payable at intervals of not less than thirty days.

Notice.

(4) Notice of such calls shall be given to the shareholders.

Limitation.

(5) No such call shall exceed ten per centum of each share subscribed. R.S., c. 12, s. 37.

Capital lost to be called for.

38. (1) If any part of the paid-up capital is lost the directors shall, if all the subscribed stock is not paid up, forthwith make calls upon the shareholders to an amount equivalent to the loss: Provided that all net profits shall be applied to make good such loss.

Returns to Minister.

(2) Any such loss of capital and the calls, if any, made in respect thereof, shall be mentioned in the next return made by the bank to the Minister. R.S., c. 12, s. 38.

Recovery of calls and instalments.

Forfeiture.

39. In case of the non-payment of any call, or instalment under an accepted allotment, the directors may, in the corporate name of the bank, sue for, recover, collect and get in any such call or instalment, or may cause and declare the shares in respect of which any such default is made to be forfeited to the bank. R.S., c. 12, s. 39.

Fine for failure to pay call.

40. (1) If any shareholder refuses or neglects to pay any instalment or call upon his shares of the capital stock at the time appointed therefor, such shareholder shall incur a penalty, to the use of the bank, of a sum of money equal to ten per centum of the amount of such shares.

Sale of forfeited shares at public auction.

(2) If the directors declare any shares to be forfeited to the bank they shall, within six months thereafter, without any previous formality other than public notice published for at least four weeks, of their intention so to do, sell at public auction the said shares, or so many of the said shares as shall, after deducting the reasonable expenses of the sale, yield a sum of money sufficient to pay the unpaid instalments or calls due on the remainder of the said shares, and the amount of penalties incurred upon the whole.

Transfer, how executed.

(3) The president, a vice-president, or the general manager of the bank shall execute the transfer to the purchaser of the shares so sold; and such transfer shall be as valid and effectual in law as if it had been executed by the original holder of the shares thereby transferred.

Remission of forfeiture or penalty.

(4) The directors, or the shareholders at a general meeting may, notwithstanding anything in this section contained, remit, either in whole or in part, and conditionally or unconditionally, any forfeiture or penalty incurred by the non-payment of instalments or calls as aforesaid. R.S., c. 12, s. 40.

Recovery by action.

41. (1) In any action brought to recover any money due on any instalment or call, it shall not be necessary to set forth the special matter in the declaration or statement of

Allegations.

claim, but it shall be sufficient to allege that the defendant is the holder of one share or more, as the case may be, in the capital stock of the bank, and that he is indebted to the bank for instalments or calls upon such share or shares, in the sum to which the instalments or calls amount, as the case may be, stating the amount and number of the instalments or calls.

Proof.

(2) It shall not be necessary, in any such action, to prove the appointment of the directors. R.S., c. 12, s. 41.

TRANSFER AND TRANSMISSION OF SHARES.

Conditions for transfer of shares.

42. (1) No transfer of the shares of the capital stock of the bank shall be valid unless

(a) made, registered and accepted by the person to whom the transfer is made, or by his attorney appointed in writing, in a book or books kept for that purpose; and

(b) the person making the transfer has, if required by the bank, previously discharged all his debts or liabilities to the bank which exceed in amount the remaining stock, if any, belonging to such person, valued at the then current rate.

Entries in books.

(2) The post office address and description of the transferee shall be entered in such book.

Fraction of share not transferable.

(3) No fractional part of a share, or less than a whole share shall be transferable.

Share register office to be opened in each province.

(4) The bank may open and maintain in any province in Canada in which it has resident shareholders and in which it has one or more branches or agencies, a share-registry office, to be designated by the directors, at which the shares of the shareholders, resident within the province, shall be registered and at which, and not elsewhere, except as hereinafter provided, such shares may be validly transferred.

Register and transfer of shares.

(5) Shares of persons who are not resident in Canada or in any province in which there is a branch or agency of the bank may be registered and shall be transferable at the chief office of the bank or elsewhere, as the directors may designate.

When change of residence.

(6) Whenever there is a change in the ownership of shares, and the new shareholder resides in a province other than that in which the former shareholder resided, and whenever there is a change in the residence of a shareholder from one province to another, or whenever a shareholder residing outside of Canada becomes a resident of a province in Canada, the registration of the shares shall be changed to the registry of the province in which the shareholder has his residence, if there is a branch or agency of the bank in that province and if a share-registry has been opened in that province, and the shares of such shareholder shall thereafter be transferable at such registry and not elsewhere, except as herein provided.

Residence defined.

(7) For the purposes of this section, a shareholder shall be deemed to be resident in the province in which he has according to the books of the bank, his post office address.

Agents.

(8) The directors shall appoint such agents for the purposes of this section as they deem necessary. R.S., c. 12, s. 42.

List of transfers.

43. (1) A list of all transfers of shares registered each day in the books of the bank at the respective places where transfers are authorized, showing in each case the parties to such transfers and the number of shares transferred, shall be made up at the end of each day.

For inspection.

(2) Such lists shall be kept at the said respective places for the inspection of the shareholders. R.S., c. 12, s. 43.

Requirements for valid transfer.

44. (1) All sales or transfers of shares, and all contracts and agreements in respect thereof, hereafter made or purporting to be made, shall be null and void, unless the person making the sale or transfer, or the person in whose name or behalf the sale or transfer is made, at the time of the sale or transfer,

(a) is the registered owner in the books of the bank of the share or shares so sold or transferred, or intended or purporting to be sold or transferred; or

(b) has the registered owner's assent to the sale.

Contract to state number.

(2) The distinguishing number or numbers, if any, of such share or shares shall be designated in the contract or agreement of sale or transfer.

Purchaser's rights preserved.

(3) Notwithstanding anything in this section contained, the rights and remedies under any contract of sale which does not comply with the conditions and requirements in this section mentioned, of any purchaser who has no knowledge of such non-compliance, are hereby saved. R.S., c. 12, s. 44.

Sale of shares under execution.

45. (1) When any share of the capital stock has been sold under a writ of execution, the officer by whom the writ was executed shall, within thirty days after the sale, leave

with the bank an attested copy of the writ, with the certificate of such officer endorsed thereon, certifying to whom the sale has been made.

Transfer, how executed.

(2) The president, a vice-president or the general manager of the bank shall execute the transfer of the share so sold to the purchaser, but not until after all debts and liabilities to the bank of the holder of the share, and all liens in favour of the bank existing thereon, have been discharged as by this Act provided.

Validity.

(3) Such transfer shall be to all intents and purposes as valid and effectual in law as if it had been executed by the holder of the said share. R.S., c. 12, s. 45.

Transmission of shares.

46. (1) If the interest in any share in the capital stock of any bank is transmitted by or in consequence of

(a) the death, lunacy, bankruptcy, or insolvency of any shareholder; or

(b) the marriage of a female shareholder; or

(c) any lawful means, other than a transfer according to the provisions of this Act,

How authenticated.

the transmission shall be authenticated by a declaration in writing, as hereinafter mentioned, or in such other manner as the directors of the bank require.

Declaration.

(2) Every such declaration shall distinctly state the manner in which and the person to whom the share has been transmitted, and shall give his post office address and description, and such person shall make and sign the declaration.

Acknowledgment.

(3) The person making and signing the declaration shall acknowledge the same before a judge of a court of record, or before the mayor, provost or chief magistrate of a city, town, borough or other place, or before a notary public, or a commissioner for taking affidavits, where the said declaration is made and signed.

To be left with bank.

(4) Every declaration so signed and acknowledged shall be left with the general manager, or other officer or agent of the bank, who shall thereupon enter the name of the person entitled under the transmission in the register of shareholders.

Exercise of rights as shareholder.

(5) Until the transmission has been so authenticated, no person claiming by virtue thereof shall be entitled to participate in the profits of the bank, or to vote in respect of any such share of the capital stock. R.S., c. 12, s. 46, am.

Transmission by marriage of female shareholders. Declaration.

47. (1) If the transmission of any share of the capital stock has taken place by virtue of the marriage of a female shareholder, the declaration shall be accompanied by a copy of the register of such marriage, or other particulars of the celebration thereof, and shall declare the identity of the wife, with the holder of such share, and

46. (3) The words underlined replace the word "same."

shall be made and signed by such female shareholder and her husband.

If separate property of wife.

(2) The declaration may include a statement to the effect that the share transmitted is the separate property and under the sole control of the wife, and that she may, without requiring the consent or authority of her husband, receive and grant receipts for the dividends and profits accruing in respect thereof, and dispose of and transfer the share itself.

Revocation.

(3) The declaration shall be binding upon the bank and persons making the same, until the said persons see fit to revoke it by a written notice to the bank to that effect.

Omission not to invalidate.

(4) The omission of a statement in any such declaration that the wife making the declaration is duly authorized by her husband to make the same shall not invalidate the declaration. R.S., c. 12, s. 47.

Authentication of declaration and papers in certain cases.

48. (1) Every such declaration and instrument as are by the last two preceding sections required to perfect the transmission of a share in the bank shall, if made in any country other than Canada, the United Kingdom or a British Dominion or colony,

(a) be further authenticated by the clerk of a court of record under the seal of the court, or by the British consul or vice-consul, or other accredited representative of His Majesty's Government in the country where the declaration or instrument is made; or

(b) be made directly before such British consul, vice-consul or other accredited representative.

Further evidence.

(2) The directors, general manager or other officer or agent of the bank may require corroborative evidence of any fact alleged in any such declaration. R.S., c. 12, s. 48, am.

Transmission by will or intestacy.

49. (1) If the transmission has taken place by virtue of any testamentary instrument, or by intestacy, the probate of the will, or the letters of administration, or act of curatorship or tutorship, or an official extract therefrom, shall, together with the declaration, be produced and left with the general manager or other officer or agent of the bank.

Entry.

(2) The general manager or other officer or agent shall thereupon enter in the register of shareholders the name of the person entitled under the transmission. R.S., c. 12, s. 49.

Transmission by decease.

50. Notwithstanding anything in this Act, if the transmission of any share of the capital stock has taken place by virtue of the decease of any shareholder, the production to the directors and the deposit with them of

(a) any authenticated copy of the probate of the will of the deceased shareholder, or of letters of administration of his estate, or of letters of verification of

heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, Northern Ireland, or any British Dominion or colony, or of any testament-testamentar or testament-dative expede in Scotland;

(b) an authentic notarial copy of the will of the deceased shareholder, if such will is in notarial form according to the law of the province of Quebec; or

(c) if the deceased shareholder died outside of His Majesty's dominions, any authenticated copy of the probate of his will or letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters;

shall be sufficient justification and authority to the directors for paying any dividend, or for transferring or authorizing the transfer of any share, in pursuance of and in conformity to the probate, letters of administration, or other such document as aforesaid. R.S., c. 12, s. 50, am.

SHARES SUBJECT TO TRUSTS.

Bank not bound to see to trusts.

51. (1) The bank shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any share of its stock is subject.

Receipt.

(2) The receipt of the person in whose name any such share stands in the books of the bank, or, if it stands in the names of more persons than one, the receipt of one of such persons shall be a sufficient discharge to the bank for any dividend or any other sum of money payable in respect of such share, unless, previously to such payment, express notice to the contrary has been given to the bank.

Bank not bound.

(3) The bank shall not be bound to see to the application of the money paid upon such receipt whether given by one of such persons or all of them. R.S., c. 12, s. 51.

Executor or trustee not personally liable.

52. (1) No person holding stock in the bank as executor, administrator, guardian, trustee, tutor or curator

(a) of or for any estate, trust or person named in the books of the bank as being represented by him; or

(b) if the will or other instrument under or by virtue of which the stock is so held be named in the books of the bank in connection with such holding,

shall be personally subject to any liability as a shareholder; but the estate and funds in his hands shall be liable in like manner and to the same extent as the testator, intestate, ward or person interested in such estate and funds would be, if living and competent to hold the stock in his own name.

50. *(a)* "Testament-testamentar", etc.,—this is the correct phrasing suggested by Scottish solicitors.

Cestui que trust liable.

(2) If the trust is for a living person or corporation, such person or corporation shall also be liable as a shareholder to the extent of his or its respective interest in the shares.

Executor or trustee liable if trust not named.

(3) If the estate, trust or person so represented, or will or other instrument, is not named in the books of the bank, the executor, administrator, guardian, trustee, tutor or curator shall be personally liable in respect of the stock as if he held it in his own name as owner thereof. R.S., c. 12, s. 52.

ANNUAL AND SPECIAL STATEMENTS.

Statement to be laid before annual general meeting.

53. (1) At every annual general meeting of the shareholders, the outgoing directors shall submit a full and clear statement of the affairs of the bank, exhibiting, on the one part, the liabilities of the bank, and, on the other part, the assets and resources thereof, and the statement shall be signed by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the statement is signed, and shall be signed on behalf of the board by the president or a vice-president or any other two directors, neither of whom shall be an officer of the bank.

Liabilities.

(2) The statement shall, without restricting the generality of the requirements of the next preceding subsection, include and show, on the one part,

(a) capital paid up,

(b) rest or reserve fund,

(c) dividends declared and unpaid,

(d) balance of profits, as per profit and loss account referred to in subsection eight of this section,

(e) notes in circulation,

(f) deposits by and balances due to Dominion Government,

(g) deposits by and balances due to provincial governments,

(h) advances under the *Finance Act*,

(i) deposits by the public not bearing interest,

(j) deposits by the public bearing interest, including interest accrued to date of statement,

(k) deposits by and balances due to other banks in Canada,

(l) deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries,

(m) bills payable,

(n) letters of credit outstanding,

(o) liabilities to the public not included under the foregoing heads.

53. Subsections one and two at present read as follows:—

ANNUAL AND SPECIAL STATEMENTS.

"**53.** At every annual general meeting of the shareholders, the outgoing directors shall submit a clear and full statement of the affairs of the bank, exhibiting, on the one part, the liabilities of the bank, and, on the other part, the assets and resources thereof, and the statement shall be signed by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the statement is signed, and shall be signed on behalf of the board by the president or a vice-president or any other two directors, neither of whom shall be an officer of the bank.

2. The statement shall, without restricting the generality of the requirements of the next preceding subsection, include and show, on the one part, the amount of the

(a) capital stock paid in,
(b) rest or reserve fund,
(c) dividends declared and unpaid,
(d) balance of profits, as per profit and loss account referred to in subsection seven of this section,
(e) notes of the bank in circulation,
(f) deposits not bearing interest,
(g) deposits bearing interests, including interest accrued to date of statement,
(h) advances under the Finance Act,
(i) balances due to other banks in Canada,
(j) balances due to banks and banking correspondents in the United Kingdom and foreign countries,
(k) bills payable,
(l) letters of credit outstanding,
(m) liabilities not included in the foregoing."

Assets.

(3) The statement shall include and show, on the other part,

(a) Gold and coin,

(b) Dominion notes,

(c) notes of other banks,

(d) United States and other foreign currencies,

(e) cheques on other banks,

(f) due by other banks in Canada,

(g) due by banks and banking correspondents elsewhere than in Canada,

(h) Dominion and provincial government securities, direct and guaranteed (maturing within two years), not exceeding market value,

(i) other Dominion and provincial government direct and guaranteed securities, not exceeding market value,

(j) Canadian municipal securities, not exceeding market value,

(k) public securities other than Canadian, not exceeding market value,

(l) other bonds, debentures and stocks, not exceeding market value,

(m) call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover,

(n) call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover,

(o) other current loans and discounts in Canada, less rebate of interest, estimated loss provided for,

(p) other current loans and discounts elsewhere than in Canada, less rebate of interest, estimated loss provided for,

(q) non-current loans, estimated loss provided for,

(r) liabilities of customers under letters of credit as per contra,

(s) real estate other than bank premises,

(t) mortgages on real estate sold by the bank,

(u) bank premises, at not more than cost, less amounts, if any, written off,

(v) deposit with the Minister of Finance for the security of note circulation,

(w) deposit in the central gold reserves,

(x) shares of and loans to controlled companies,

(y) other assets not included under the foregoing heads.

Power to amend.

(4) The Governor in Council shall have power from time to time to make such amendments and additions to the items required to be set forth in the said statement as may be deemed necessary as a result of the Bank of Canada being authorized to commence business.

53. (3) The present subsection reads as follows:—

"3. The statement shall include and show, on the other part, the amount of

(a) current coin held by the bank,
(b) Dominion notes held,
(c) notes of other banks,
(d) United States and other foreign currencies,
(e) cheques on other banks,
(f) balances due by other banks in Canada,
(g) balances due by banks and banking correspondents elsewhere than in Canada,
(h) Dominion and provincial government securities, not exceeding market value,
(i) Canadian municipal securities, and British, foreign and colonial public securities other than Canadian, not exceeding market value,
(j) railway and other bonds, debentures and stocks, not exceeding market value,
(k) call and short, not exceeding thirty day, loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover,
(l) call and short, not exceeding thirty day, loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover,
(m) other current loans and discounts in Canada, less rebate of interest, *after making full provision for all bad and doubtful debts*,
(n) other current loans and discounts elsewhere than in Canada, less rebate of interest, *after making full provision for all bad and doubtful debts*,
(o) liabilities of customers under letters of credit as per contra,
(p) real estate other than bank premises,
(q) non-current loans, estimated loss provided for,
(r) bank premises, at not more than cost, less amounts, if any, written off,
(s) deposit with the Minister for the purposes of the Circulation Fund,
(t) deposit in the central gold reserves,
(u) other assets not included in the foregoing."

The changes in the form of the annual statement are made generally to afford a clearer appreciation of the position of the bank. An endeavour has also been made to bring the statement as far as possible into conformity with the monthly statements set out in Schedule G.

Statement controlled corporation.

(5) Whenever a bank carries on any part of its operations in the name of a corporation controlled by such bank, then there shall accompany the statement, a further statement showing the assets and liabilities of each such corporation, and the value placed upon the bank's interest in the corporation.

Auditors.

(6) The auditors of the bank shall, for any purposes within the purview of this Act, be deemed auditors of such controlled corporation, and the shareholders of the bank at every annual general meeting shall appoint such person to act as proxy for the bank at any and all meetings of such controlled corporation as they may see fit.

Other particulars.

(7) Any other or further particulars than those called for by subsections two and three of this section, which, in the opinion of the directors, are necessary to a full and clear statement of the affairs of the bank shall also be included and shown in such statement.

Profit and loss account.

(8) A profit and loss account for the financial year of the bank next preceding the date of the annual general meeting shall accompany the statement and be attached thereto, and shall be signed on behalf of the board by the same persons as are required by this section to sign the statement referred to.

Copies of statement to be sent to shareholders and Minister.

(9) A copy of the statement and of the profit and loss account, together with a copy of the minutes of the annual general meeting, shall be sent within four weeks thereafter to each shareholder at his last known post office address, as shown by the books of the bank, and concurrently therewith a certified copy of each of these shall be sent to the Minister. R.S., c. 12, s. 53, am.

Further statements as required by by-law.

54. (1) The directors shall also submit to the shareholders such further statements of the affairs of the bank as the shareholders require by by-law passed at the annual general meeting, or at any special general meeting of the shareholders called for the purpose.

When to be submitted.

(2) The statements so required shall be submitted at the annual general meeting, or at any special general meeting called for the purpose, or at such time and in such manner as is set forth in the by-law of the shareholders requiring such statements. R.S., c. 12, s. 54.

SHAREHOLDERS' AUDIT

Who qualified to audit.

55. (1) The affairs of the bank shall be audited by two persons, residing in Canada, each one of whom shall be an accountant who has for at least six years preceding the date of his appointment, as hereinafter provided, practised his profession in Canada, and who shall also be a member in good standing of an institute or association of account-

ants incorporated under the authority of the legislature of any province of Canada.

Lists to be furnished to Minister and Association.

(2) A list or lists shall be furnished to the Minister and also to the Association by each such incorporated institute or association of accountants on or before the thirtieth day of June in each year, of all members of their corporation in good standing whose names are entitled to be included therein as determined by the provisions of the last preceding subsection, together with their addresses and the names of the firms, if any, of which they are members, and such list or lists shall be certified under their corporate seals respectively.

The Minister may select auditors.

(3) The Minister may, not later than the thirtieth day of September next following, select from such list or lists the persons, any one of whom shall be eligible to be appointed an auditor of a bank under this section, and if the Minister does not make a selection as herein provided all the persons on the list or lists so furnished shall be eligible for appointment as auditors of a bank.

Publication of list.

(4) The Minister shall, as soon thereafter in each year as may be convenient, cause to be inserted in two successive issues of the *Canada Gazette* a public notice containing the names and other particulars of persons so selected, or if no selection has been made, then the names and other particulars of the persons included in such list or lists as furnished, and the persons included in such published notice shall be deemed qualified for appointment as auditors of a bank.

Appointment of auditors.

(5) The shareholders shall at each annual general meeting appoint two persons, not members of the same firm, whose names are included in the last published list, to audit the affairs of the bank, but if the same two persons, or members respectively of the same two firms have been appointed for two years in succession to audit the affairs of any one bank, one such person or any member of one such firm shall not be again appointed to audit the affairs of such bank during the period of two years next following the term for which he was last appointed.

Vacancy.

(6) If any vacancy should occur in the office of auditor of a bank, notice thereof shall forthwith be given by the bank to the Minister, who shall thereupon appoint some other person included in the published list for the year to serve for the unexpired term of the person previously appointed.

Remuneration of auditors.

(7) The remuneration of auditors shall be fixed by the shareholders at the time of their appointment, and in the event of any vacancy and the appointment of another auditor under the next preceding subsection, the remuneration so fixed shall be divided between them in such manner as the directors shall consider just and reasonable.

Powers and rights of auditors.

(8) Every auditor of a bank shall have a right of access to the books and accounts, cash, securities, documents and vouchers of the bank, and shall be entitled to require and receive from the directors and officers of the bank such information and explanation as may be necessary for the performance of the duties of the auditors.

Procedure and scope of audit.

(9) The Minister may from time to time require that the auditors of a bank shall report to him upon the adequacy of the procedure adopted by the bank for the safety of its creditors and shareholders, and as to the sufficiency of their own procedure in auditing the affairs of the bank; and the Minister may at his discretion enlarge or extend the scope of the audit, or direct that any other or particular examination be made or procedure established in the particular case as the public interest may seem to require.

Duty with respect to directors.

(10) It shall be the duty of the auditors to report individually or jointly as to them may seem fit to the general manager and to the directors in writing any transactions or conditions affecting the well being of the bank which are not satisfactory to them, and which in their opinion require rectification, and without restricting the generality of this requirement they shall report specifically to the general manager and to the directors from time to time upon any loans exceeding one per cent of the paid-up capital of the bank which in their judgment are inadequately secured, but this provision shall not be construed to relieve any director from the due and proper discharge of the duties of a director.

(11) The report shall be transmitted or delivered by the auditors to the general manager at his office and to each director at his last known post office address and the said report shall be incorporated in the minutes of the directors' meeting first following the receipt of the said report.

Report of Auditors.

(12) The auditors shall make a report to the shareholders on the statement of the affairs of the bank to be submitted by the directors to the shareholders under section fifty-three of this Act during their tenure of office.

(13) The report shall state

(a) whether or not they have obtained all the information and explanations they have required;

(b) whether, in their opinion, the transactions of the bank which have come under their notice have been within the powers of the bank;

(c) whether, in their opinion, the statement referred to in the report discloses the true condition of the bank; and

(d) whether the statement is as shown by the books of the bank.

Attached to annual statement and read.

(14) The auditors' report shall be attached to the statement submitted by the directors to the shareholders under section fifty-three of this Act, and the report shall be read before the shareholders in the annual general meeting.

Audit and report on further statements.

(15) Any further statement of the affairs of the bank submitted by the directors to the shareholders under section fifty-four of this Act shall be subject to audit and report, and the report of the auditors thereon shall state

(a) whether or not they have obtained the information and explanations they have required; and

(b) whether, in their opinion, such further statement discloses to the extent thereof the true condition of the bank.

Attached to statement and read.

(16) The auditors' report shall be attached to the further statement referred to in the next preceding subsection, and shall be read before the shareholders at the meeting to which such further statement is submitted, and a copy of the statement and report shall be mailed to every shareholder at his last known address.

Copies.

Auditor not to undertake other employment for bank.

(17) A person appointed under this section to audit the affairs of a bank shall not, during the term for which such person is appointed, either by himself or by any other member of such firm, accept any retainer or undertake any employment on behalf of or at the instance of such bank or any officer thereof, whether at the expense of the bank or not, other than that of auditor hereunder; and failure to comply with the provisions of this subsection shall be an offence against this Act.

Offence.

Director or officer not eligible.

(18) No person shall be appointed an auditor of a bank if such person or any member of his firm is a director or officer of such bank.

Auditors' reports to be sent to the Minister.

(19) A copy of all reports made by the auditors of a bank to the general manager and to the directors under this section shall be transmitted or delivered to the Minister by the auditors at the same time as such reports are transmitted or delivered to the general manager and directors. 1924, c. 7, s. 1; R.S., c. 12, s. 55, am.

INSPECTION.

Inspector General of Banks to be appointed.

56. (1) The Governor in Council on the recommendation of the Minister shall appoint a person who in his opinion has had proper training and experience who shall be charged with the performance of the duties hereinafter mentioned; and such person shall be designated "Inspector General of Banks," hereinafter called the Inspector.

Temporary inspector.

(2) The Minister may direct some other competent person to perform temporarily the duties of the Inspector should the Inspector, by reason of illness or other contingency, be unable to perform such duties.

Tenure of office. Removal.

(3) The Inspector shall hold office during good behaviour, but may be removed from office by the Governor in Council for misbehaviour or incapacity, inability, or failure to perform his duties properly.

Reasons for removal.

(4) If the Inspector is removed from office for any such reasons the Order in Council providing for such removal and documents relating thereto shall be laid before Parliament within the first fifteen days of the next ensuing session.

To receive no other compensation.

(5) The Inspector while holding office shall not perform any service for compensation other than the service rendered by him under the provisions of this section.

Officials and clerical assistants.

(6) The Minister may appoint or employ on the recommendation of the Deputy Minister of Finance and the Inspector, such persons with training and experience and such clerical assistants as may be deemed necessary to carry out and give effect to the provisions of this section.

Salary.

(7) Persons so appointed or employed shall receive such salary or remuneration as may be fixed by the Minister.

Examination and inquiry into affairs of banks.

(8) The Inspector, from time to time, but not less frequently than once in each calendar year, shall make or cause to be made, such examination and inquiry into the affairs or business of each bank as he may deem to be necessary or expedient, and for such purposes take charge on the premises of the assets of the bank or any portion thereof, if the need should arise, for the purpose of satisfying himself that the provisions of this Act having reference to the safety of the creditors and shareholders of each such bank are being duly observed and that the bank is in a sound financial condition, and at the conclusion of each such examination and inquiry shall report thereon to the Minister.

Report.

Access to books and accounts, etc., of banks.

(9) The Inspector, or person acting under his direction, shall have a right of access to the books and accounts, documents, vouchers and securities of the bank, and shall be entitled to require and receive from the directors, officers and auditors of the bank such information and explanation as he may deem necessary for the performance of his duties.

Powers of commissioner under Inquiries Act.

(10) The Inspector shall have all the powers conferred upon a commissioner appointed under the *Inquiries Act* for the purpose of obtaining evidence under oath, and may delegate such powers as occasion may require, and any person who refuses to give such evidence or to produce any book or document material thereto when required so to do shall be guilty of an offence against this Act.

Reports on banks found to be insolvent.

(11) Whenever the Inspector is satisfied that a bank is insolvent he shall report fully on the bank's condition to the Minister, and the Minister may, without waiting for the bank to suspend payment, in specie or Dominion or Bank of Canada notes, of any of its liabilities as they accrue, request the Association or the president of the Association to appoint a curator to supervise the affairs of such bank, and such request shall have the same effect as if the bank had suspended payment in specie or Dominion

or Bank of Canada notes of any of its liabilities as they accrued, and a curator shall forthwith be appointed as hereinafter provided.

Salary.

(12) The Inspector shall be paid a salary fixed by the Governor in Council on the recommendation of the Minister.

Salaries and expenses paid out of Consolidated Revenue Fund and recouped by assessment on banks.

(13) Provided an appropriation therefor has been made by Parliament, all salaries, remuneration and other expenses incidental to giving effect to this section shall be paid out of the Consolidated Revenue Fund, and the Consolidated Revenue Fund shall be recouped after the end of each calendar year for such outlay by an assessment upon the banks based upon the average total assets of the banks, respectively, during the year, as shown by the monthly returns made by the banks to the Minister under section one hundred and twelve of this Act, and such assessment shall be paid by the banks.

Officials to be officers of Finance Department.

(14) All persons appointed under this section shall be officers of the Department of Finance, but the provisions of the *Civil Service Act* shall not apply to such persons.

No liability to depositor, creditor, or shareholder for damages, payment or compensation, under this section.

(15) His Majesty shall not incur any liability whatever to any depositor, creditor or shareholder of any bank, or to any other person, for any damages, payment, compensation or indemnity which he may suffer or claim by reason of this section or anything therein contained, or by reason of anything done or omitted to be done under the requirements thereof, or by reason of anything omitted to be done which is hereby required to be done, or by reason of any order or direction of the Governor in Council or of the Minister in the execution or administration of the powers or any of them by this section conferred, or by reason of any failure or omission on the part of the Governor in Council or of the Minister or of the Inspector or of any officer or employee of His Majesty to execute or discharge any power, authority, or duty thereunder, or otherwise by reason of any default, negligence, mistake, error or omission in the administration or discharge of the powers or duties which in any circumstances are by this section intended or authorized to be executed or performed; and no such payment, damages, compensation or indemnity, nor any claim therefor, shall in any case be authorized, paid or entertained by His Majesty. R.S., c. 12, s. 56, am.

DIVIDENDS.

Quarterly or half-yearly dividends.

57. (1) The directors of the bank may, subject to the provisions of this Act, declare quarterly or half-yearly dividends of so much of the profits of the bank as to the majority of them seems advisable.

57. (1) The present subsection reads as follows:—

"**57.** The directors of the bank *shall*, subject to the provisions of this Act, declare quarterly or half-yearly dividends of so much of the profits of the bank as to the majority of them seems advisable."

Notice.

(2) The directors shall give public notice, published for at least four weeks, of the payment of such dividends previously to the date fixed for such payment.

Where payable.

(3) Dividends shall, on and after the date fixed for payment, be payable at the chief office of the bank and at such of its branches and at such other places as the directors prescribe.

Books closed.

(4) The directors may close the transfer books during a certain time, not exceeding fifteen days, before the payment of each dividend.

Liability of bank.

(5) The liability of any bank under any law, custom or agreement to pay dividends heretofore or hereafter declared and payable on its capital stock shall continue notwithstanding any statute of limitations or any enactment No prescription. or law relating to prescription. R.S., c. 12, s. 57. am.

Dividend not to impair capital.

58. (1) No dividend or bonus shall be declared as so to impair the paid-up capital of the bank.

Directors liable for such dividend.

(2) The directors who knowingly and wilfully concur in the declaration or making payable of any dividend or bonus, whereby the paid-up capital of the bank is impaired, shall be jointly and severally liable for the amount of such dividend or bonus, as a debt due by them to the bank.

Dividend limited unless there is a certain reserve.

(3) No division of profits, either by way of dividends or bonus, or both combined, or in any other way, exceeding the rate of eight per centum per annum, shall be made by the bank, unless, after making the same, the bank has a rest or reserve fund, equal to at least thirty per centum of its paid-up capital after providing all the appropriations necessary for ascertained and estimated losses.

Personal liability of directors.

(4) The directors who knowingly and wilfully concur in any division of profits exceeding the rate of eight per centum per annum, unless after making the same the bank has a rest or reserve fund equal to at least thirty per centum of its paid-up capital after making the appropriations necessary to provide for losses, shall be jointly and severally liable for the amount so divided, as a debt due by them to the bank. R.S., c. 12, ss. 58 and 59.

CASH RESERVES.

Cash reserves in Dominion notes.

59. (1) The bank shall hold in Dominion notes not less than forty per centum of the cash reserves which it has in Canada.

Supply of Dominion notes.

(2) The Minister shall make such arrangements as are necessary for ensuring the delivery of Dominion notes to any bank in exchange for an equivalent amount of gold coin lawfully current at the several branch offices of the Department of Finance established for the redemption of Dominion notes under the provisions of the *Dominion Notes Act*.

58. Subsections 3 and 4 appear in the present Act as subsections 1 and 2 respectively of section 59. Their wording has not been changed.

59. This section, apart from subsection 4, is section 60 of the present Act.

Redemption.

(3) Such notes shall be redeemable at any of the branch offices mentioned in subsection two hereof.

Limited operation of section.

(4) The next three preceding subsections of this section shall be repealed on and from the date on which the Bank of Canada is authorized to commence business, and on and after that date the bank shall maintain deposits with the Bank of Canada which shall always be equal to five per centum of its deposit liabilities within Canada; and the bank shall also maintain with the Bank of Canada or elsewhere adequate reserves against liabilities elsewhere than in Canada, and furnish such information as may be required by the Minister from time to time to satisfy him that such reserves against external liabilities are so maintained. R.S., c. 12, s. 60, am.

ISSUE AND CIRCULATION OF NOTES.

Issue of notes.

60. (1) The bank may issue and re-issue its notes payable to bearer on demand and intended for circulation: Provided that

Proviso.

(a) the bank shall not, during any period of suspension of payment of its liabilities, issue or reissue any of its notes; and

(b) if, after any such suspension, the bank resumes business without the consent in writing of the curator, hereinafter provided for, it shall not issue or reissue any of its notes until authorized by the Treasury Board so to do.

$5, or multiples.

(2) No such note shall be for a sum less than five dollars, or for any sum which is not a multiple of five dollars.

Amount limited.

(3) Except as hereinafter provided, the total amount of the notes of a bank in circulation at any time shall not exceed the aggregate of

(a) the amount of the unimpaired paid up capital of the bank; and

(b) the amount of current gold coin and of Dominion notes held for the bank in the central gold reserves hereinafter mentioned.

Appointment of trustees.

(4) The Association may, with the approval of the Minister, appoint three trustees and the Minister may appoint a fourth trustee, and the trustees so appointed shall receive such amounts in current gold coin and Dominion notes, or either, as any bank may desire from time to time to deposit with them; and such amounts so deposited are herein referred to as "central gold reserves" and shall be held and dealt with in accordance with the provisions of this Act.

"Central gold reserves."

By-laws respecting.

(5) The Association may make by-laws, rules and regulations under section one hundred and twenty-four of this Act respecting the custody and management of the central gold reserves and the carrying out of the provisions of this Act relating to such reserves.

59. (4) This subsection is consequent upon the proposed legislation for a central bank.

60. This appears in the present Act as section 61. See notes opposite proposed new section 61.

Excess of notes over paid-up capital.

(6) When and so long as the amount of the notes of a bank in circulation in excess of its unimpaired paid-up capital is less then the amount deposited by it in the central gold reserves, the excess of the amount so deposited shall belong to the bank as its property, and the bank may apply to the trustees for a return of the excess last mentioned, and upon receiving from the bank a statement signed by the chief accountant and by the general manager or other principal officer next in authority in the management of the affairs of the bank at the time the statement is signed, and otherwise in the form provided by said by-laws, rules or regulations, setting forth to the best of the information and belief of these officers the amount of the notes of the bank in circulation on the date of such statement, the trustees shall return the whole or part of the deposit of the bank, as the case may be.

(7) On and from the date when such statement is transmitted by registered post or delivered to the trustees, the amount applied for shall, for the purpose of the statement to be made by the trustees to the Minister under subsection nine of this section, and for the purpose of calculating the total amount of the authorized note circulation of the bank, be deemed to have been withdrawn from the central gold reserves and shall not be taken into account in such statement nor included in such calculation.

Exception.

(8) Should the total amount of the notes of the bank in circulation be found, by reason of such withdrawal, to be in excess of the circulation of the bank authorized by this Act the bank shall not be deemed to be released or relieved from any of the penalties imposed by this Act for circulation of the notes of a bank in excess of the amount authorized by this Act.

Statement to be sent to Minister

(9) The trustees shall prepare and transmit by registered post or deliver to the Minister within the first twenty days of each month a statement signed by them showing the amount on each juridical day of the preceding month of the deposit of each bank in the central gold reserves and not withdrawn or deemed to be withdrawn under the provisions of this section.

Inspection and audit of gold coin and notes.

(10) The Minister shall, from time to time, and not less frequently than twice in each year, cause an inspection and audit of the gold coin and Dominion notes held by the trustees to be made by officers of the Department of Finance.

Particulars of inspection.

(11) It shall be the duty of such officers

(a) to inspect and ascertain the amount of the gold coin and Dominion notes held by the trustees for the respective banks at the date of inspection; and

(b) to ascertain from the books and accounts, documents and vouchers of the trustees the amounts of

gold coin and Dominion notes held by the trustees for the respective banks at any preceding date named by the Minister.

Powers of inspecting officer.

(12) Every such officer shall have a right of access to the gold coin and Dominion notes held and to the books and accounts, documents and vouchers of the trustees, and shall be entitled to require from the trustees such information and explanation as may be necessary for the performance of his duties.

When bank insolvent.

(13) Should the bank become insolvent within the meaning of this Act, the amount held for it in the central gold reserves shall be paid by the trustees to the liquidator or other person entitled by law to collect and receive the assets of the bank and shall be applied in redeeming the notes of such bank in circulation or in making the payment to the Minister required by section one hundred and sixteen of this Act and for no other purpose.

Vacancy in office of trustee.

(14) When a vacancy in the office of a trustee appointed by the Association occurs, by resignation, death or other cause, a trustee to fill the vacancy shall, subject to the approval of the Minister, be appointed by the Association; and when a vacancy occurs in the office of a trustee appointed by the Minister, the trustee to fill the vacancy shall be appointed by the Minister.

Remuneration of trustees.

(15) The remuneration of trustees, including that of the trustee appointed by the Minister, and all charges and expenses incidental to the establishment and maintenance of the central gold reserves, shall be borne by the Association as the Association may, by by-law, rule or regulation determine.

Additional issue during moving of crops.

(16) During the usual season of moving the crops, that is to say, from and including the first day of September in any year to and including the last day of February next ensuing, in addition to the said amount of notes hereinbefore authorized to be issued for circulation, the bank may issue its notes to an amount not exceeding fifteen per centum of the combined unimpaired paid-up capital and rest or reserve fund of the bank as stated in the statutory monthly return made by the bank to the Minister for the month immediately preceding that in which the additional amount is issued.

Notice of additional issue.

(17) Whenever, under the authority of the next preceding subsection, the issue of an additional amount of notes of the bank has been made, the general manager, or other principal officer next in authority in the management of the affairs of the bank for the time being, shall forthwith give notice thereof by registered letter addressed to the Minister and to the president of the Association,

Interest on additional issue.

(18) While its notes in circulation are in excess of the aggregate referred to in subsection three of this section, the bank shall pay interest to the Minister at such rate, not exceeding five per centum per annum, as is fixed by the

Governor in Council, on the amount of its notes in circulation in excess from day to day; and the interest so paid shall form part of the Consolidated Revenue Fund.

Return by bank.

(19) A return shall be made and sent by the bank to the Minister showing the amount of its notes in circulation for each juridical day during any month.

Time and form of return.

(20) Such return shall be made up and sent within the first twenty-eight days after the last day of the month next preceding and shall be accompanied by declarations which shall be a part of the return and the return and such declaration shall be in the form set forth in Schedule H to this Act, and shall be signed by the chief accountant, and by the president or a vice-president or the director then acting as president, and by the general manager or other principal officer next in authority in the management of the affairs of the bank at the time at which the declaration is signed: Provided, however, that the Governor in Council shall have power from time to time to make such amendments and additions to the items required to be set forth in the said schedule as may be deemed necessary as a result of the Bank of Canada being authorized to commence business.

Signatures thereto.

R.S., c. 12, s. 61, am.

Repeal of sub-secs., 3-18 sec. 60.

61. (1) Subsections three to eighteen, both inclusive, of the next preceding section shall be repealed on and from the day on which the Bank of Canada is authorized to commence business.

Maximum circulation.

(2) Notwithstanding anything contained in the next preceding section, on and after the day on which the Bank of Canada is authorized to commence business, the maximum amount of notes of a bank in circulation at any time shall not exceed the amount of the unimpaired paid-up capital of the bank on the said day on which the Bank of Canada is authorized to commence business, and on the first day of January in each year for a period of five years commencing on the first day of January nineteen hundred and thirty-six the said maximum shall be reduced by five per centum, and on the first day of January in each year for a period of five years commencing on the first day of January nineteen hundred and forty-one the said maximum shall be reduced by ten per centum and thereafter until Parliament further enacts, the amount of notes of a bank in circulation shall not exceed twenty-five per centum of the amount of the unimpaired paid-up capital of the bank.

(19) The present subsection reads as follows:—

"19. A return shall be made and sent by the bank to the Minister showing the amount of its notes in circulation for each juridical day during any month *in which any amount of notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding.*"

The words in italics are omitted.

(20) The present subsection gives thirty days in which to make the return.

61. This proposed section contains new limitations under which notes of the chartered banks may be issued after the Bank of Canada is authorized to commence business.

Effect of reduction or impairment of capital.

In the event of any reduction or impairment of the paid-up capital, the maximum amount of notes of the bank which may be in circulation shall be reduced to the amount which would have been authorized if the reduction or impairment aforesaid had occurred on the day on which the Bank of Canada was authorized to commence business.

Circulation elsewhere than in Canada.

(3) The next preceding subsection shall not operate to limit the authority of the bank to issue notes under the provisions of the next succeeding section of this Act, provided that the total amount of the notes which may be in circulation in Canada and elsewhere shall not in any circumstances exceed the amount of the unimpaired paid-up capital of the bank. (New.)

Note issue at agency in British possessions other than Canada.

62. (1) Notwithstanding the provisions of the two next preceding sections any bank may issue and reissue outside of Canada at any branch, agency or office of the bank in any British colony or possession, notes of the bank payable to bearer on demand and intended for circulation in such colony or possession, for the sum of one pound sterling each, or for any multiple of such sum, or for the sum of five dollars each, or for any multiple of such sum of the dollars in commercial use in such colony or possession, if the issue or reissue of such notes is not forbidden by the laws of such colony or possession.

Governor in Council to fix rate for circulation.

(2) No issue of notes of the denomination of five such dollars, or any multiple thereof, shall be made in any such British colony or possession unless and until the Governor in Council, on the report of the Treasury Board, determines the rate, in Canadian currency, at which such notes shall be circulated as forming part of the total amount of the notes in circulation within the meaning of the two next preceding sections.

Redemption.

(3) The notes so issued shall be redeemable at par at any branch, agency or office of the bank in the colony or possession in which they are issued for circulation, and not elsewhere, except as in this section specially provided; and the place of redemption of such notes shall be legibly printed or stamped across the face of each note so issued.

Redemption if agency is closed.

(4) In the event of the bank ceasing to have a branch or agency or office in any such British colony or possession, all notes issued in such colony or possession under the provisions of this section shall become payable and redeemable at the rate of four dollars and eighty-six and two-thirds cents per pound sterling, or, in the case of the issue of notes of the denomination of five dollars, or any

62. (1) The present subsection reads as follows:—

"**62.** Notwithstanding the provisions of the last preceding section any bank may issue and reissue, at any branch, agency or office of the bank in any British colony or possession *other than Canada*, notes of the bank payable to bearer on demand and intended for circulation in such colony or possession, for the sum of one pound sterling each, or for any multiple of such sum, or for the sum of five dollars each, or for any multiple of such sum of the dollars in commercial use in such colony or possession, if the issue or reissue of such notes is not forbidden by the laws of such colony or possession."

multiple thereof, of the dollars in commercial use in such colony or possession, at the rate established by the Governor in Council as required by this section, in the same manner as notes of the bank issued in Canada are payable and redeemable.

Total amount of circulation

(5) The amount of the notes at any time in circulation in any such colony or possession, issued under the provisions of this section, shall, at the rate mentioned in the last preceding subsection, form part of the total amount of the notes in circulation within the meaning of the two next preceding sections, and, except as herein otherwise specially provided, shall be subject to all the provisions of this Act.

No reissue in Canada.

(6) No notes issued for circulation in any such British colony or possession shall be reissued in Canada.

Section limited.

(7) Nothing in this section shall be construed to authorize any bank

(a) to increase the total amount of its notes in circulation in Canada and elsewhere beyond the limit fixed by the two next preceding sections; or

(b) to issue or reissue in Canada notes payable to bearer on demand, and intended for circulation, for a sum less than five dollars, or for a sum which is not a multiple of five dollars. R.S., c. 12, s. 62, am.

Pledge of notes prohibited.

63. The bank shall not pledge, assign, or hypothecate its notes; and no advance or loan made on the security of the notes of a bank shall be recoverable from the bank or its assets. R.S., c. 12, s. 63.

Bank circulation redemption fund continued.

64. (1) The moneys heretofore paid to and now deposited with the Minister by the banks to which this Act applies, constituting the fund known as the Bank Circulation Redemption Fund, shall continue to be held by the Minister for the purposes and subject to the provisions in this section mentioned and contained.

$5,000 to be retained upon issue of certificate.

(2) The Minister shall, upon the issue of a certificate under this Act authorizing a bank to issue notes and commence the business of banking, retain, out of any moneys of such bank then in his possession, the sum of five thousand dollars, which sum shall be held for the purposes of this section, until the annual adjustment hereinafter provided for takes place in the year then next following.

Adjustment.

(3) The amount at the credit of such bank shall, at such next annual adjustment, be adjusted by payment to or by the bank of such sum as is necessary to make the amount of money at the credit of the bank equal to five per centum of the average amount of its notes in circulation from the time it commenced business to the time of such adjustment and such sum shall thereafter be adjusted annually as hereinafter provided.

Five per cent of average circulation.

62. (6) The present subsection reads as follows:—

"6. No notes issued for circulation in a British colony or possession *other than Canada* shall be reissued in Canada."

Circulation Fund.

(4) The amounts heretofore and from time to time hereafter paid, to be retained and held by the Minister as by this section provided, shall continue to form and shall form the Circulation Fund.

Its purposes.

(5) The Circulation Fund shall continue to be held as heretofore for the sole purpose of payment, in the event of the suspension by a bank of payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, of the notes then issued or reissued by such bank, intended for circulation, and then in circulation, and interest thereon.

Adjustment annually.

(6) The Circulation Fund shall be adjusted, as soon as possible after the thirtieth day of June in each year, in such way as to make the amount at the credit of each bank contributing thereto, unless herein otherwise specially provided, equal to five per centum of the average note circulation of such bank during the then last preceding twelve months.

Average note circulation, how determined.

(7) The average note circulation of a bank during any period shall be determined from the average of the amount of its notes in circulation, as shown by the monthly returns for such period made by the bank to the Minister; and where, in any return the greatest amount of notes in circulation at any time during the month is given, such amount shall, for the purposes of this section, be taken to be the amount of the notes of the bank in circulation during the month to which such return relates: Provided, however, that in determining the average note circulation of a bank under this subsection the daily average for each month of the amount of the bank's deposit, if any, in the central gold reserves which has not been withdrawn or deemed to be withdrawn within the meaning of this Act shall be deducted from the greatest amount of the notes of the bank in circulation at any time during the month.

Proviso.

Rights of Minister.

(8) The Minister shall, with respect to all notes paid out of the Circulation Fund, have the same rights as any other holder of notes of the bank: Provided that all such notes, and all interest thereon, so paid by the Minister, after the amount at the credit of such bank in the Circulation Fund has been exhausted, shall bear interest, at the rate of three per centum per annum, from the time such notes and interest are paid until such notes and interest are repaid to the Minister by or out of the assets of such bank. 1923, c. 32, s. 64; R.S., c. 12, s. 64, am.

Proviso.

Subsection 6, now eliminated, read as follows:—

(6) The Circulation Fund shall bear interest at the rate of three per centum per annum.

(8) The words "and all interest due or accruing due thereon" after the words "Circulation Fund" in the proviso have been deleted.

Notes of bank suspending payment to bear interest.

65. (1) In the event of the suspension by a bank of payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, the notes of the bank issued or reissued intended for circulation and then in circulation shall bear interest at the rate of five per centum per annum, from the day of the suspension to such day as is named by the directors, or by the liquidator, receiver, assignee or other proper official, for the payment thereof.

Notice of time for payment.

(2) Notice of such day shall be given by advertisement in at least three consecutive issues of a daily newspaper, published in the place in which the chief office of the bank is situate, and if there is no daily newspaper published there, then by advertisement in two consecutive issues of any weekly newspaper published in that place.

As to notes not then presented.

(3) If any notes presented for payment on or after any day named for payment thereof are not paid, all notes then unpaid and in circulation shall continue to bear interest until such further day is named for payment thereof, of which day notice shall be given in manner hereinbefore provided.

Notes not redeemed to be paid out of Circulation Fund.

(4) If the directors of the bank or the liquidator, receiver, assignee or other proper official fails to make arrangements within two months from the day of the suspension of payment by the bank, for the payment of all of its notes and interest thereon, the Minister may make arrangements for the payment out of the Circulation Fund, of the notes remaining unpaid and all interest thereon, and the Minister shall give such notice of the payment as he thinks expedient.

Interest to cease.

(5) Notwithstanding anything herein, all interest upon such notes shall cease upon and from the date named by the Minister for such payment.

Government not liable.

(6) Nothing herein shall be construed to impose any liability upon His Majesty or upon the Minister, beyond the amount available from time to time out of the Circulation Fund. R.S., c. 12, s. 65, am.

Payment from fund.

66. (1) All payments made from the Circulation Fund shall be without regard to the amount contributed thereto by the bank in respect of whose notes the payments are made.

If fund exceeded.

(2) If the payments from the Circulation Fund exceed the amount contributed to the Circulation Fund by the bank so suspending payment, the other banks to which this Act applies shall, on demand, make good to the Circulation Fund the amount of the excess proportionately to the amount which each such other bank had or should have contributed to the Circulation Fund at the time of the suspension of the bank in respect of whose notes the payments are made.

(2) The words "and all interest due or accruing due to such bank thereon" after the word "payment" in third line of the subsection have been deleted.

Other banks to contribute.

(3) Each of such other banks shall only be called upon to make good to the Circulation Fund its share of the excess in payments not exceeding in any one year one per centum of the average amount of its notes in circulation; such circulation shall be ascertained in such manner as the Minister decides, and the Minister's decision shall be final.

Amounts recovered, how distributed.

(4) All amounts recovered and received by the Minister from the bank on account of which such payments were made shall, after the amount of such excess has been made good as aforesaid, be distributed among the banks contributing to make good such excess, proportionately to the amount contributed by each. R.S., c. 12, s. 66.

Refund of deposit if bank is wound up.

67. In the event of the winding-up of the business of a bank by reason of insolvency or otherwise, the Treasury Board may, on the application of the directors, or of the liquidator, receiver, assignee or other proper official, and on being satisfied that proper arrangements have been made for the payment of the notes of the bank and any interest thereon, pay over to the directors, liquidator, receiver, assignee or other proper official, the amount of the Circulation Fund at the credit of the bank, or such portion thereof as it thinks expedient. R.S., c. 12, s. 67.

Treasury Board rules.

68. The Treasury Board may make all such rules and regulations as it thinks expedient with reference to

(a) the payment of any moneys out of the Circulation Fund, and the manner, place and time of such payment;

(b) the collection of all amounts due to the Circulation Fund;

(c) all accounts to be kept in connection therewith; and

(d) generally the management of the Circulation Fund and all matters relating thereto. R.S., c. 12, s. 68.

Minister may enforce payments.

69. The Minister may, in his official name, by action in the Exchequer Court of Canada, enforce payment, with costs of action, of any sum due and payable by any bank which should form part of the Circulation Fund. R.S., c. 12, s. 69.

Arrangements to be made for circulation at par, and redemption.

70. (1) The bank shall make such arrangements as are necessary to ensure the circulation at par, in any and every part of Canada, of all notes issued or reissued by it and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes at such places in each province as may be fixed by the Governor in Council.

Bank must take its own notes.

(2) The bank shall always receive in payment its own notes at par at any of its branches, agencies or offices, and

70. The present section reads as follows:—

"**70.** The bank shall make such arrangements as are necessary to ensure the circulation at par, in any and every part of Canada, of all notes issued or reissued by it and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes *at the places at which the Governor in Council has established branch offices of the Department of Finance for the redemption of Dominion notes, and at such other places as are from time to time designated by the Treasury Board.*

2. The bank shall always receive in payment its own notes at par at any of its branches, agencies or offices, and whether they are made payable there or not. 1923, c. 32, ss. 70 and 71."

whether they are made payable there or not. R.S., c. 12, s. 70, am.

Payment in Dominion notes.

71. (1) The bank, when making any payment shall, on the request of the person to whom the payment is to be made, pay the same, or such part thereof, not exceeding one hundred dollars, as such person requests, in Dominion or Bank of Canada notes for one, two or five dollars each, at the option of such person.

No torn or defaced notes.

(2) No payment, whether in Dominion or Bank of Canada notes or bank notes, shall be made by the bank in notes that are unclean or torn or partially defaced.

Disinfection of notes.

(3) The Treasury Board may make regulations providing for the disinfection and sterilization by the several banks of all bank notes and Dominion or Bank of Canada notes which have come into the bank's possession before a reissue thereof to the public; and the bank, its officers, clerks and servants, shall carry out and execute the regulations made under the authority of this section. R.S., c. 12, s. 71, am.

Notes binding though not sealed.

72. (1) The notes of the bank signed by the president, a vice-president, the general manager or other officer appointed by the directors of the bank to sign the same, promising the payment of money to any person or to his order or to the bearer, though not under the corporate seal of the bank, shall be binding and obligatory on the bank in like manner and with like force and effect as they would be upon any private person, if issued by him in his private or natural capacity, and shall be assignable in like manner as if they were so issued by a private person in his natural capacity.

Directors may depute officer to sign.

(2) The directors of the bank may from time to time authorize or depute the general manager, a manager or other officer of the bank, or any director other than the president or a vice-president, or any manager of any branch or office of discount and deposit of the bank, to sign the notes of the bank intended for circulation. R.S., c. 12, s. 72, am.

Notes may be signed by machinery.

73. (1) All bank notes whereon the name of any person entrusted or authorized to sign such notes on behalf of the bank is impressed by machinery provided for that purpose, by or with the authority of the bank, shall be good and valid to all intents and purposes, as if such notes had been subscribed in the proper handwriting of the person entrusted or authorized by the bank to sign the same respectively, and shall be bank notes within the meaning of all laws and statutes whatever, and may be described as bank notes in all indictments and civil or criminal proceedings whatever.

71. (2) The present subsection reads as follows:—

"(2) No payment, whether in Dominion notes or bank notes, shall be made by the bank in bills that are unclean or torn or partially defaced *by excessive handling.*"

72. The first three lines of the present section, which provides that bills or notes are binding though not under the corporate seal of the bank, read as follows:—

"**72.** The *bills or* notes of the bank signed by the president, a vice-president, the general manager or other officer appointed by the directors of the bank to sign the same."

The words "bills or" are struck out as unnecessary.

73. In this section also, which provides that notes and bills may be signed by machinery, the words "and bills" and "or bills" where they occur after the word "notes" are struck out for the same reason.

Distinguishing mark.

(2) If all such names are impressed by machinery, at least one such name to each note, together with a distinguishing device and number, shall be impressed or engraved under the authority of the bank after the notes are received by the bank from the engraver and printer, and shall not be otherwise impressed or engraved. R.S., c. 12, s. 73, am.

Counterfeit or fraudulent notes to be stamped.

74. (1) Every officer charged with the receipt or disbursement of public moneys, and every officer of any bank, and every person acting as or employed by any banker, shall stamp or write in plain letters, upon every counterfeit or fraudulent note issued in the form of a Dominion or Bank of Canada or bank note, and intended to circulate as money, which is presented to him at his place of business, the word "Counterfeit," "Altered" or "Worthless."

If wrongfully stamped.

(2) If such officer or person wrongfully stamps any genuine note he shall, upon presentation, redeem it at the face value thereof. R.S., c. 12, s. 74, am.

BUSINESS AND POWERS OF A BANK.

Business and powers of bank.

75. (1) The bank may

(a) open branches, agencies and offices;

(b) engage in and carry on business as a dealer in gold and silver coin and bullion;

(c) deal in, discount and lend money and make advances upon the security of, and take as collateral security for any loan made by it, bills of exchange, promissory notes and other negotiable securities, or the stock, bonds, debentures and obligations of municipal and other corporations, whether secured by mortgage or otherwise, or Dominion, provincial, British, foreign, and other public securities; and

(d) engage in and carry on such business generally as appertains to the business of banking.

Exceptions.

(2) Except as authorized by this Act, the bank shall not either directly or indirectly

(a) deal in the buying or selling or bartering of goods, wares and merchandise, or engage or be engaged in any trade or business whatsoever;

(b) purchase, or deal in, or lend money or make advances upon the security or pledge of, any share of its own capital stock, or of the capital stock of any bank or of the Bank of Canada;

(c) lend money or make advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property, or of any ships or other vessels, or upon the security of any goods, wares and merchandise;

(d) lend to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank without the approval of the directors any amount or amounts exceeding in the aggregate one thousand dollars;

(e) lend to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank any amount or amounts exceeding in the aggregate ten thousand dollars; or

(f) lend money or make advances in excess of five per centum of its paid-up capital to a director of the bank or to any company or corporation in which the president, general manager or a director of the bank is a partner or shareholder, as the case may be, without the approval of two-thirds of the directors present at a regular meeting, or meeting specially called for the purpose, of the board.

Loans to directors.

(3) In no case shall a director of the bank be present or vote at a meeting of the board during the time when loans or advances to himself or any firm or corporation of which he is a partner or director are under consideration.

No agent or manager to act as agent for insurance company.

(4) No agent or manager of any bank shall act as agent for any insurance company or for any person in the placing of insurance, nor shall any bank exercise pressure upon any borrower to place insurance for the security of such bank in any particular insurance agency, but nothing herein contained shall prevent such bank from requiring such insurance to be placed with an insurance company which it may approve. R.S., c. 12, s. 75, am.

Bank to have lien upon the stock of its debtors.

76. (1) The bank shall have a privileged lien, for any debt or liability for any debt to the bank, on the shares of its own capital stock, and on any unpaid dividends of the debtor or person liable, and may decline to allow any transfer of the shares of such debtor or person until the debt is paid.

Sale of shares.

(2) The bank shall, within twelve months after the debt has accrued and become payable, sell such shares, but

Notice.

notice shall be given to the holder of the shares of the intention of the bank to sell the same, by mailing the notice, in the post office, post paid, to the last known address of the holder, as shown by the records of the bank, at least thirty days prior to the sale.

Transfer.

(3) Upon the sale being made the president, a vice-president or the general manager shall execute a transfer of the shares to the purchaser thereof in the usual transfer book of the bank.

Effect of transfer.

(4) Such transfer shall vest in the purchaser all the rights in or to the said shares which were possessed by the holder thereof, with the same obligation of warranty on his part

(f) This subsection is amended by substituting the word "five" for "ten" in the first line thereof.

75. (4) The present subsection (4) is omitted in this Bill, it reads:—

"(4) Nothing herein contained shall prevent the agent or manager of a bank, with chief office and branches in one province only, from acting as agent for the placing of hail insurance."

as if he were the vendor thereof, but without any warranty from the bank or by the officer of the bank executing the transfer. R.S., c. 12, s. 76, am.

Collateral securities may be sold.

77. (1) The stock, bonds, debentures or securities, acquired and held by the bank as collateral security, may, in case of default in the payment of the debt for the securing of which they were so acquired and held, be dealt with, sold and conveyed, either in like manner and subject to the same restrictions as are herein provided in respect of stock of the bank on which it has acquired a lien under this Act, or in like manner as and subject to the restrictions under which a private individual might in like circumstances deal with, sell and convey the same: Provided that the bank shall not be obliged to sell within twelve months.

Proviso.

Right of sale may be waived.

(2) The right so to deal with and dispose of such stock, bonds, debentures or securities in manner aforesaid may be waived or varied by any agreement between the bank and the owner of the stock, bonds, debentures or securities. R.S., c. 12, s. 77.

Acquisition of real estate.

78. (1) The bank may acquire and hold real and immovable property for its actual use and occupation and the management of its business, and may sell or dispose of the same, and acquire other property in its stead for the same purpose.

Return to Minister.

(2) The bank shall annually, during the month of January, transmit or deliver to the Minister a return showing in detail the fair market value of its real and immovable property held at the end of the preceding calendar year under this section either in its own name or in the name of a trustee or of a corporation controlled by the bank.

Particulars.

(3) Such return shall state separately each parcel of real property held by the bank and as to each such parcel shall state

(a) the registered owner thereof, if the bank is not the registered owner;

(b) the amount of any mortgage or hypotheque thereon, and if more than one parcel is subject to the same mortgage or hypotheque, the parcels subject to such mortgage or hypotheque shall be segregated in such return and identified therewith; and

(c) the extent, if any, to which each such parcel is not held for the actual use and occupation of the bank;

How signed.

and such return shall be signed by the chief accountant, and by the president, or a vice-president, or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the said return is made. R.S., c. 12, s. 78, am.

78. (2) The words underlined are inserted merely to make clear the date as of which the return should be made.

Mortgages and hypotheques of realty, and agreements of sale.

79. (1) The bank may take, hold and dispose of, by way of additional security for debts or liabilities contracted to the bank in the course of its business,

(a) mortgages and hypotheques upon real and personal, immovable and movable property; but no mortgage or hypotheque shall be taken, held or disposed of in respect to, or be deemed to include, any personal property which, on the first day of July, one thousand nine hundred and twenty-three, was by any statutory enactment exempt from seizure under writs of execution;

(b) the rights of vendors or purchasers under agreements for the sale or purchase of real and personal, immovable and movable property.

As to personalty.

(2) The rights, powers and privileges which the bank is by this Act declared to have, or to have had, in respect of real or immovable property mortgaged to it, shall be held and possessed by it in respect of any personal or movable property which is mortgaged or hypothecated to the bank. R.S., c. 12, s. 79, am.

Purchases of realty.

80. The bank may purchase any lands or real or immovable property offered for sale

(a) under execution, or in insolvency, or under the order or decree of a court, or at a sale for taxes, as belonging to any debtor to the bank;

(b) by a mortgagee or other encumbrancer, having priority over a mortgage or other encumbrance held by the bank; or

Notice of sale by auction.

(c) by the bank under a power of sale given to it for that purpose, notice of such sale by auction to the highest bidder having been first given by advertisement for four weeks in a newspaper published in the county or electoral district in which such lands or property is situate,

in cases in which, under similar circumstances, an individual could so purchase, without any restriction as to the value of the property which it may so purchase, and may acquire a title thereto as any individual, purchasing at sheriff's sale or sale for taxes or under a power of sale, in like circumstances could do, and may take, have, hold and dispose of the same at pleasure. R.S., c. 12, s. 80, am.

Bank may acquire absolute title to mortgaged premises.

81. (1) The bank may acquire and hold an absolute title in or to real or immovable property mortgaged to it as security for a debt due or owing to it, either by the obtaining of a release of the equity of redemption in the mortgaged property, or by procuring a foreclosure, or by other means whereby, as between individuals, an equity of redemption can, by law, be barred, or a transfer of title to

79. The amendment will enable a guarantor to give by way of additional security a mortgage or hypotheque under the section for a liability previously contracted by him. A guarantee is not a "debt" within the meaning of the section, while it is a "liability" contracted by the guarantor.

80. The powers of a bank to acquire real estate are set forth in several connections by the provisions of the Act. Section 80 recognizes the right of a bank, when the lands of its debtor are put up for sale under execution, insolvency or decree of a court, to buy in to protect itself. It seems equally necessary to provide, if the lands of the debtor are set up for sale for default of payment of taxes, that the bank should have the right to buy in.

real or immovable property can, by law, be effected, and may purchase and acquire any prior mortgage or charge on such property.

No act or law to prevent.

(2) Nothing in any charter, Act or law shall be construed as ever having been intended to prevent or as preventing the bank from acquiring and holding an absolute title to and in any such mortgaged real or immovable property, whatever the value thereof, or from exercising or acting upon any power of sale contained in any mortage given to or held by the bank, authorizing or enabling it to sell or convey any property so mortgaged. R.S., c. 12, s. 81.

Property to be sold within certain time.

82. (1) No bank shall hold any real or immovable property, howsoever acquired, except such as is required for its own use, for any period exceeding seven years from the date of the acquisition thereof, or any extension of such period as in this section provided, and such property shall be absolutely sold or disposed of within such period or extended period as the case may be, so that the bank shall no longer retain any interest therein unless by way of security.

Extension of time.

(2) The Treasury Board may direct that the time for the sale or disposal of any such real or immovable property shall be extended for a further period or periods, not to exceed five years.

Twelve years.

(3) The whole period during which the bank may so hold such property under the foregoing provisions of this section shall not exceed twelve years from the date of the acquisition thereof.

Property not sold liable to forfeiture.

(4) Any real or immovable property, not required by the bank for its own use, held by the bank for a longer period than authorized by the foregoing provisions of this section shall be liable to be forfeited to His Majesty for the use of the Dominion of Canada: Provided that

Proviso.

(a) no such forfeiture shall take effect until the expiration of at least six calendar months after notice in writing to the bank by the Minister of the intention of His Majesty to claim the forfeiture; and

(b) the bank may, notwithstanding such notice, before the forfeiture is effected sell or dispose of the property free from liability to forfeiture.

Provisions apply to realty now held.

(5) The provisions of this section shall apply to any real or immovable property heretofore acquired by the bank and held by it at the time of the coming into force of this Act. R.S., c. 12, s. 82.

Loans on standing timber.

83. The bank may lend money upon the security of standing timber or the rights or licences held by persons to cut or remove such timber: Provided that, if the provincial law permits, the instrument evidencing such security is registered against the land upon which such timber stands or in the offices in which are recorded such rights or licences. R.S., c. 12, s. 83.

Loans to receiver or liquidator under Winding-up Acts and to officer under Bankruptcy Act.

84. The bank may lend money to a receiver, to a receiver and manager, to a liquidator appointed under any Winding-up Act, or to a custodian, interim receiver, or trustee under the Bankruptcy Act, provided such receiver, receiver and manager, liquidator, custodian, interim receiver or trustee, has been duly authorized or empowered to borrow, and, in respect of any money so lent, the bank may take security, with or without personal liability, from such receiver, receiver and manager, liquidator, custodian, interim receiver or trustee to such an amount, and upon such property and assets, as may be directed or authorized by any court of competent jurisdiction. R.S., c. 12, s. 84.

Advances for building ships.

85. (1) Every bank advancing money in aid of the building of any ship or vessel shall have the same right of acquiring and holding security upon such ship or vessel, while building and when completed, either by way of mortgage, hypothèque, hypothecation, privilege or lien thereon, or purchase or transfer thereof, as individuals have in the province wherein the ship or vessel is being built.

Rights and obligations.

(2) The bank may, for the purpose of obtaining and enforcing such security, avail itself of all such rights and means, and shall be subject to all such obligations, limitations and conditions as are, by the law of such province, conferred or imposed upon individuals making such advances. R.S., c. 12, s. 85.

Warehouse receipts and bills of lading.

86. (1) The bank may acquire and hold any warehouse receipt or bill of lading as collateral security for the payment of any debt incurred in its favour, or as security for any liability incurred by it for any person, in the course of its banking business.

Effect of taking.

(2) Any warehouse receipt or bill of lading so acquired shall vest in the bank, from the date of the acquisition thereof.

(a) all the right and title to such warehouse receipt or bill of lading and to the goods, wares and merchandise covered thereby of the previous holder or owner thereof; or

(b) all the right and title to the goods, wares and merchandise mentioned therein of the person from whom such goods, wares and merchandise were received or acquired by the bank, if the warehouse receipt or bill of lading is made directly in favour of the bank, instead of to the previous holder or owner of such goods, wares and merchandise. R.S., c. 12, s. 86, am.

When previous holder is an agent.

87. (1) If the previous holder of such warehouse receipt or bill of lading is any person

(a) entrusted with the possession of the goods, wares and merchandise mentioned therein, by or by the authority of the owner thereof;

86. (2) *(a)* The words underlined are inserted merely to bring this section into harmony with other provisions of the Act relating to security over goods, wares and merchandise.

(*b*) to whom such goods, wares and merchandise are, by or by the authority of the owner thereof, consigned; or

(*c*) who, by or by the authority of the owner of such goods, wares and merchandise, is possessed of any bill of lading, receipt, order or other document covering the same, such as is used in the course of business as proof of the possession or control of goods, wares and merchandise, or as authorizing or purporting to authorize, either by endorsement or by delivery, the possessor of such a document to transfer or receive the goods, wares and merchandise thereby represented,

the bank shall be, upon the acquisition of such warehouse receipt or bill of lading, vested with all the right and title of the owner of such goods, wares and merchandise, subject to the right of the owner to have the same retransferred to him if the debt or liability, as security for which such warehouse receipt or bill of lading is held by the bank, is paid.

Presumption of possession.

(2) Any person shall be deemed to be the possessor of such goods, wares and merchandise, bill of lading, receipt, order or other document as aforesaid

(*a*) who is in actual possession thereof; or

(*b*) for whom, or subject to whose control such goods, wares and merchandise are, or bill of lading, receipt, order, or other document is held by any other person. R.S., c. 12, s. 87.

Loans to certain wholesale dealers.

88. (1) The bank may lend money to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, upon the security of such products.

Grain.

(2) The bank may lend money to a farmer upon the security of his threshed grain grown upon the farm.

Loans to wholesale manufacturers.

(3) The bank may lend money to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise upon the security of the goods, wares and merchandise manufactured by him, or procured for such manufacture.

Removal of goods.

(4) If, with the consent of the bank, the products, goods, wares and merchandise, upon the security of which money has been loaned under the authority of this section, are removed and other products, goods, wares and merchandise

Substitution.

of substantially the same character are respectively substituted therefor, then to the extent of the value of the products, goods, wares and merchandise so removed, the products, goods, wares and merchandise so substituted shall be covered by such security as if originally covered thereby; but failure to obtain the consent of the bank to

88. (1) The present subsection reads as follows:—

"**88.** (1) The bank may lend money to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, *or to any wholesale purchaser or shipper of or dealer in live stock or dead stock or the products thereof*, upon the security of such products, *or of such live stock or dead stock or the products thereof*."

The words in italics are omitted by reason of the enlargement of paragraph *(m)* of section 2 and reference to "live stock or dead stock or the products thereof" are for the same reason omitted from later sections.

Security.

any such substitution shall not affect the validity of the security either as respects any products, goods, wares and merchandise actually substituted as aforesaid or in any other particular.

Owner may give the security.

(5) Any such security, as mentioned in the foregoing provisions of this section, may be given by the owner of the said products, goods, wares and merchandise.

Form of security.

(6) The security may be taken in the form set forth in Schedule C to this Act, or to the like effect.

Same rights as upon warehouse receipts.

(7) The bank shall, by virtue of such security, acquire the same rights and powers in respects of the products, goods, wares and merchandise covered thereby as if it had acquired the same by virtue of a warehouse receipt: Provided, however, that the wages, salaries or other remuneration of persons employed by any wholesale purchaser, shipper or dealer, or by any wholesale manufacturer, in connection with any of the several wholesale businesses referred to, or by any farmer, in connection with the farm, owing in respect of a period not exceeding three months, shall be a charge upon the property covered by the said security in priority to the claim of the bank thereunder, and such wages, salaries or other remuneration shall be paid by the bank if the bank takes possession or in any way disposes of the said security or of the products, goods, wares and merchandise covered thereby.

Proviso as to claims for wages.

Loans for purchase of seed grain.

(8) The bank may lend money to the owner, tenant or occupier of land for the purchase of seed grain upon the security of any crop to be grown from such seed grain.

Security.

(9) The security taken under subsection eight of this section may be taken in the form set forth in Schedule D to this Act or in a form to the like effect.

First lien upon seed grain and crop.

(10) The bank shall by virtue of such security acquire a first and preferential lien and claim for the sum secured and interest thereon upon the seed grain purchased and the crop covered by the security, as well before as after the severance of the crop from the soil, and upon the grain threshed therefrom, and the bank shall by virtue of such security acquire the same rights and powers in respect of such seed grain and of the grain so threshed as if it had acquired such rights and powers by virtue of a warehouse receipt.

Same rights as upon warehouse receipts.

Right to enter and take

(11) The bank shall have the right, through its servants or agents, in case of default in payment of the money lent or in case of neglect to care for and harvest the crop, or

possession in case of default, etc.

in case of any attempt to dispose of the crop without the consent of the bank or in case of the seizure of the crop under process of law, to enter upon the land upon which the crop is grown, to take possession of, care for and harvest the crop and thresh the grain therefrom.

Loan for live stock raising.

(12) The bank may lend money to a farmer and to any person engaged in stock raising upon the security of his live stock; provided however that such security shall not include and shall be deemed not to include any live stock which on the first day of July, one thousand nine hundred and twenty-three, was by any statutory enactment exempt from seizure under writs of execution.

(13) The provisions of subsection four of this section, making live stock substituted for live stock removed subject to the security, shall apply to the live stock substituted by the farmer or other person engaged in stock raising.

Security.

(14) The security taken under subsection twelve of this section may be taken in the form set forth in Schedule E to this Act or in a form to the like effect.

Entry, seizure and sale.

(15) The bank shall by virtue of the security taken under subsection twelve of this section have full power, right and authority, if the bills or notes therein mentioned or described or any of them are not paid according to their tenor, to enter upon the premises upon which the live stock mentioned in the security are, to take possession of or seize such live stock, and before or after such taking possession of or seizure, to sell such live stock, or such part thereof as may be necessary to realize the amount due and payable, at public auction, not less than five days after

Notice of sale.

(a) notice of the time and place of such sale has appeared in a newspaper published in or nearest to the place where the sale is to be made, and

(b) posting a notice in writing or in print of the time and place of such sale in or at the post office nearest to the place where the sale is to be made.

Disposal of proceeds of sale.

(16) After all necessary and reasonable expenses in connection with such seizure and sale have been deducted and prior privileges, liens or pledges existing in favour of third parties and for which claims may have been filed with the party making the sale have been satisfied, the balance of the proceeds of the sale shall be applied in payment of the said bills or notes and the surplus, if any, returned to the grantor.

Notice of intention to give security.

(17) Any person intending to give a bank security under the authority of this section must give notice of such intention before any loan is made by the bank to such per-

88. (13) The existing subsection reads as follows:—

"(13) The provisions of subsection four of this section, making live stock substituted for live stock removed subject to the security, shall apply to the live stock substituted by the farmer or other person engaged in stock raising. *"Live stock" for the purposes of this section means horses and mares, bulls, cows, oxen, bullocks, steers, heifers and calves, sheep and swine and the offspring of any of such animals."*

The words in italics are omitted by reason of their inclusion in paragraph *(m)* of section 2.

son and the security taken, by signing a document hereinafter called a "notice of intention," which may be in the form set out in Schedule F to this Act or to the like effect.

To be registered.

(18) The notice of intention shall be registered in the manner hereinafter provided, and, after the first day of August, one thousand nine hundred and twenty-three, any security subsequently taken under the authority of this section, before such notice of intention is registered, shall be null and void as against the creditors of such person and as against subsequent purchasers or mortgagees in good faith; and a notice of intention when registered shall be deemed to be notice for the purposes of this section in respect of all securities taken by the bank from such person, under said authority, during the period of three years after the date of registration.

Where to be registered.

(19) The notice of intention shall be registered in the office of the Assistant Receiver General, hereinafter called the Assistant Receiver, or in such office as may be prescribed by the Minister on and after the coming into force of the *Bank of Canada Act*, in the province in which the place of business, or principal place of business in case the person has more than one place of business, of the person is situate.

"Assistant Receiver."

(20) "Assistant Receiver" in this section includes anyone acting for the Assistant Receiver or the officer in charge of the office to be prescribed as aforesaid.

If person has no place of business.

(21) If the person has no place of business then the notice of intention shall be registered in the office of the Assistant Receiver in the province in which such person resides.

"Place of business."

(22) "Place of business" and "principal place of business" shall, in the case of a company incorporated in Canada, be deemed to be the place where the head office or chief place of business of the company is situate, or if a foreign corporation, then the place of business of such corporation for the purposes of this section shall be the place at which civil process in the province in which the loan is made can be served upon the company.

Manner of registration.

(23) The Assistant Receiver shall number consecutively every notice of intention received by him and shall endorse thereon the number and the hour and date of receiving it, and shall file the same and enter, in alphabetical order, in a book to be kept by him, the name of every person who has given such notice of intention, with the number endorsed thereon opposite to each name.

Assistant Receiver to supply bank with certified copy of document.

(24) The Assistant Receiver shall endorse over his signature on a copy of the notice of intention to be supplied by the bank, for the records of the bank, the date of registration and number, and the production of the copy with such endorsation and signature shall be conclusive evidence in all courts of the registration and of the time of registration as thereon endorsed.

88. (19) Having in view the prospective discontinuance of the offices of the Assistant Receivers General, it becomes necessary to make provision for offices at which registration may be made of notice of intention to borrow under this section.

Cancellation.

(25) The notice of intention may be cancelled by the Assistant Receiver in the book containing such registration at the place where the registration is entered on receipt by him from the bank named in the notice of intention registered of a certificate of release duly signed on behalf of the bank to the effect that each and every security under this section, given to the bank by the person has been released, or that no security was given to the bank as the case may be, and such certificate of release shall bear on the face thereof the number and date endorsed on the original document on file in the office of the Assistant Receiver.

Certificate of release.

(26) The Assistant Receiver shall number consecutively every certificate of release received by him and shall endorse thereon the number and the hour and date of its receipt and shall file the same.

Register open to inspection.

(27) Every person, upon payment of the proper fees, shall have access to and be entitled to inspect the registration book and any document registered or filed pursuant to this section.

Fees.

(28) For services under this Act, the Assistant Receiver shall be entitled to the following fees, for which he shall be accountable to the Consolidated Revenue Fund:—

For registration of each notice of intention and endorsation of copy over signature..	25c.
For production of registration book for inspection.....	25c.
For production of any notice of intention for inspection.....	25c.
For registration of each certificate of release	25c.

R.S., c. 12, s. 88, am.

Goods manufactured from articles pledged.

89. (1) If goods, wares and merchandise are manufactured or produced from the goods, wares and merchandise, or any of them, included in or covered by any warehouse receipt, or included in or covered by any security given under section eighty-eight of this Act, while so covered, the bank holding such warehouse receipt or security shall hold or continue to hold such goods, wares and merchandise, during the process and after the completion of such manufacture or production, with the same right and title, and for the same purposes and upon the same conditions, as it held or could have held the original goods, wares and merchandise.

Prior claim of bank over unpaid vendor.

(2) All advances made on the security of any bill of lading or warehouse receipt, or of any security given under section eighty-eight of this Act, shall give to the bank making the advances a claim for the repayment of the advances on the products, goods, wares and merchandise therein mentioned, or into which they have been converted, prior to and by preference over the claim of any unpaid vendor,

Exception.

but such preference shall not be given over the claim of any unpaid vendor who had a lien upon the products, goods, wares and merchandise at the time of the acquisition by the bank of such warehouse receipt, bill of lading, or security, unless the same was acquired without knowledge on the part of the bank of such lien.

Sale of goods on non-payment of debt.

(3) In the event of the non-payment at maturity of any debt or liability secured by a warehouse receipt or bill of lading, or secured by any security given under section eighty-eight of this Act, the bank may sell the products, goods, wares and merchandise mentioned therein, or so much thereof as will suffice to pay such debt or liability with interest and expenses, returning the surplus, if any, to the person from whom the warehouse receipt, bill of lading, or security, or the products, goods, wares and merchandise mentioned therein, as the case may be, were acquired; but such power of sale shall be exercised subject to the following provisions, namely:—

Notice of sale of saw-logs, railway ties and lumber.

(a) No sale, without the consent in writing of the owner of any products of the forest shall be made under this Act until notice of the time and place of such sale has been given by a registered letter, mailed in the post office, post paid, to the last known address of the pledgor thereof, at least thirty days prior to the sale thereof;

Notice of sale of goods.

(b) No such products (other than products of the forest), and no goods, wares and merchandise shall be sold by the bank under this Act without the consent of the owner, until notice of the time and place of sale has been given by a registered letter, mailed in the post office, post paid, to the last known address of the pledgor thereof, at least ten days prior to the sale thereof;

Sale by auction.

(c) Every sale, under such power of sale, without the consent of the owner, shall be made by public auction, after notice thereof by advertisement in at least two newspapers published in or nearest to the place where the sale is to be made, stating the time and place thereof; and, if the sale is in the province of Quebec, then at least one of such newspapers shall be a newspaper published in the English language, and one other such newspaper shall be a newspaper published in the French language. R.S., c. 12, s. 89, am.

Conditions under which bank may take security.

90. (1) The bank shall not acquire or hold any warehouse receipt or bill of lading, or any security as aforesaid, to secure the payment of any bill, note, debt, or liability, unless such bill, note, debt or liability is negotiated or contracted

(a) at the time of the acquisition thereof by the bank; or

(b) upon the written promise or agreement that a warehouse receipt or bill of lading or security as aforesaid, would be given to the bank:

Proviso.

Provided that such bill, note, debt or liability may be renewed, or the time for the payment thereof extended, without affecting any security so acquired or held.

(2) The bank may

Exchanging of warehouse receipt for bill of lading and *vice versa*.

(a) on the shipment of any products, goods, wares and merchandise for which it holds a warehouse receipt, or any such security as aforesaid, surrender such receipt or security and receive a bill of lading in exchange therefor;

(b) on the receipt of any products, goods, wares and merchandise, for which it holds a bill of lading, or any such security as aforesaid, surrender such bill of lading or security, store the products, goods, wares and merchandise and take a warehouse receipt therefor, or ship the products, goods, wares and merchandise, or part of them, and take another bill of lading therefor;

(c) surrender any bill of lading or warehouse receipt held by it and receive in exchange therefor any security that may be taken under this Act;

(d) when it holds any such security as aforesaid on grain in any elevator, take a bill of lading covering the same grain or grain of the same grade or kind shipped from such elevator, in lieu of such security, to the extent of the quantity shipped;

(e) when it holds any security whatsoever covering grain, take, in lieu of such security to the extent of the quantity covered by the security taken, a bill of lading or warehouse receipt for, or any document entitling it under the provisions of *The Canada Grain Act*, to the delivery of, the same grain or grain of the same grade or kind. R.S., c. 12, s. 90, am.

90. These amendments are proposed to remove a doubt as to the proper construction of this section. The opening part of the section speaks of "any warehouse receipt or bill of lading or any *such* security as aforesaid." The word "such," now omitted, lent itself to the possible interpretation that a particular warehouse receipt or bill of lading or security under section 88 was in contemplation when the promise was given, while in fact the promise has always been interpreted as meaning that a warehouse receipt or bill of lading or security under section 88 would be given as soon as the property became available for security purposes. Actually, the promise must in practically all cases be given before the goods to be covered by it can be identified. They may not even be in existence. "Such," for which "a" is now substituted in paragraph *(b)*, really was intended to connote the types of securities which are mentioned in the opening part of the section.

90. (1) The present subsection reads as follows:—

"The bank shall not acquire or hold any warehouse receipt or bill of lading, or any *such* security as aforesaid, to secure the payment of any bill, note, debt, or liability, unless such bill, note, debt or liability is negotiated or contracted

(a) at the time of the acquisition thereof by the bank; or

(b) upon the written promise or agreement that *such* warehouse receipt or bill of lading or security would be given to the bank:

Provided that such bill, note, debt or liability may be renewed, or the time for the payment thereof extended, without affecting any *such* security."

90. (2) *(c)*, *(d)* and *(e)*. Paragraph *(c)* is in harmony with and supplemental to the principles in the antecedent paragraphs *(a)* and *(b)* which provide for the acquisition of one kind of security in exchange for one already held, but which do not enable an importer to give a bank a security upon goods which have come into his possession through the action of the bank in delivering to him the bill of lading accompanying the foreign draft which has been taken up by the bank. Paragraph *(c)* authorizes this to be done.

Paragraphs *(d)* and *(e)* deal with security upon grain. These amendments are rendered necessary to bring the provisions of the *Bank Act* into accord with the method of

Interest to 7 per cent may be charged.

91. (1) The bank shall not in any part of Canada, excepting the Territories, stipulate for, charge, take, reserve or exact any rate of interest or discount exceeding seven per centum per annum and no higher rate of interest or discount shall be recoverable by the bank, and every bank which violates the provisions of this subsection shall be guilty of an offence, and for every such offence shall be liable, on summary conviction, to a fine not exceeding five hundred dollars, and every one who, being a manager or officer of any bank, violates the said provisions shall be guilty of an offence, and for every such offence shall be liable, on summary conviction, to a fine not exceeding one hundred dollars: Provided, however, that in a case where the interest or discount amounts to less than one dollar the bank may stipulate for, charge, take, reserve or exact a total charge not exceeding one dollar.

Return to Minister.

(2) The bank shall make a semi-annual return to the Minister, as of the last juridical day of the months of June and December in each year, giving such particulars as may be prescribed by regulations made by the Treasury Board of the interest and discount rates charged by the bank.

Signature to returns.

(3) Such returns shall be made up and sent in within the first thirty days after the respective juridical days aforesaid, and shall be signed by the same persons as are required to sign the monthly returns made to the Minister under section one hundred and twelve of this Act.

Charge for keeping accounts.

(4) No bank shall directly or indirectly charge or receive any sum whatsoever for the keeping of any account unless such charge is made by express agreement between the bank and the customer. R.S., c. 12, s. 91, am.

Interest on deposits.

92. (1) The bank may allow any rate of interest whatever upon money deposited with it.

Liability of bank on deposits.

(2) The liability of the bank, under any law, custom or agreement to repay moneys heretofore or hereafter deposited with it and interest, if any, shall continue, notwithstanding any statute of limitations, or any enactment or law relating to prescription. R.S., c. 12, s. 92.

handling grain recognized by the *Canada Grain Act* as enacted in 1930 and amended in 1933. Paragraph *(d)* is particularly intended to cover the shipment, usually from the country elevator to a terminal elevator, of grain upon which the bank holds security, permitting the bank to take a bill of lading on the grain shipped, in lieu of the security it holds. Under the subsection the bill of lading may cover the same grain, or other grain of the same grade or kind. Paragraph *(e)* is intended to maintain for the bank a continuous security upon the same or substituted grain from interior points to the seaboard.

91. (1) The present subsection reads as follows:—

"**91.** The bank may stipulate for, take, reserve or exact any rate of interest or discount not exceeding seven per cent per annum and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank."

The Banking Commission recommended by 4 to 1 that this subsection should be repealed, but that if retained, a penalty clause should be added.

91. (2) The underlined words "semi-annual" are inserted in place of the word "quarterly."

Percentage chargeable for collection.

93. When any note, bill, or other negotiable security or paper, payable, at any of the bank's places or seats of business, branches, agencies or offices of discount and deposit in Canada, is discounted at any other of the bank's places or seats of business, branches, agencies or offices of discount and deposit, the bank may, in order to defray the expenses attending the collection thereof, receive or retain in addition to the discount thereon, a percentage calculated upon the amount of such note, bill, or other negotiable security or paper, not exceeding one-eighth of one per centum: Provided that the bank may make a minimum charge of fifteen cents. R.S., c. 12, s. 93.

Agency charges.

94. The bank may, in discounting any note, bill or other negotiable security or paper, *bona fide* payable at any place in Canada, other than that at which it is discounted, and other than one of its own places or seats of business, branches, agencies or offices of discount and deposit in Canada, receive and retain, in addition to the discount thereon, a sum not exceeding one-fourth of one per centum on the amount thereof: Provided that the bank may make a minimum charge of twenty-five cents. R.S., c. 12, s. 94.

Deposits may be received from persons unable to contract.

95. (1) The bank may, subject to the provisions of this section, without the authority, aid, assistance or intervention of any other person or official being required,

(a) receive deposits from any person whomsoever, whatever his age, status or condition in life, and whether such person is qualified by law to enter into ordinary contracts or not; and

(b) from time to time repay any or all of the principal thereof, and pay the whole or any part of the interest thereon to such person, unless before such repayment the money so deposited in the bank is lawfully claimed as the property of some other person.

Payments by consent.

(2) In the case of any such lawful claim the money so deposited may be paid to the depositor with the consent of the claimant, or to the claimant with the consent of the depositor. R.S., c. 12, s. 95, am.

Bank not bound to see to trust in deposits.

96. (1) The bank shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any deposit made under the authority of this Act is subject.

Receipt of one of two joint depositors sufficient.

(2) Except only in the case of a lawful claim by some other person before repayment, the receipt of the person in whose name any such deposit stands, or, if it stands in the names of two persons, the receipt of one, or, if it stands in

95. (3) The Banking Commission recommends that this subsection, which restricts the right of deposits and withdrawals by married women in Quebec, should be amended so as to leave their rights unrestricted.

The purpose will be served by omitting the subsection. It reads as follows:—

"(3) If the person making any such deposit could not, under the law of the province where the deposit is made, deposit and withdraw money in and from a bank without this section, the total amount to be received from such person on deposit shall not, at any time, exceed the sum of two thousand dollars."

Or of a majority.

the names of more than two persons, the receipt of a majority of such persons, shall, notwithstanding any trust to which such deposit is then subject, and whether or not the bank sought to be charged with such trust, and with which the deposit has been made, had notice thereof, be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit.

Application.

(3) The bank shall not be bound to see to the application of the money paid upon such receipt.

Garnishee order affects only branch where served.

(4) An attaching or garnishee order or summons shall only affect and bind moneys to the credit of the debtor at the branch, agency or office of the bank where such order or summons or notice thereof is served. R.S., c. 12, s. 96.

If depositor dies, claim not exceeding $500, how proved.

97. (1) If a person dies, having a deposit with the bank not exceeding the sum of five hundred dollars, the production to the bank of

(a) any authenticated copy of the probate of the will of the deceased depositor, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, Northern Ireland or any British Dominion or colony, or of any testament-testamentar or testament-dative expede in Scotland;

(b) an authentic notarial copy of the will of the deceased depositor, if such will is in notarial form, according to the law of the province of Quebec; or

(c) if the deceased depositor died outside of His Majesty's dominions, any authenticated copy of the probate of his will, or of letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters

shall be sufficient justification and authority to the directors for paying such deposit, in pursuance of and in conformity to such probate, letters of administration, or other documents as aforesaid.

Deposit of copy of document.

(2) When the authenticated copy or other document of like import is produced to the bank under subsection one of this section, there shall be deposited with the bank a true copy thereof. R.S., c. 12, s. 97, am.

97. (1) The present paragraph reads as follows:—

"**97.** If a person dies, having a deposit with the bank not exceeding the sum of five hundred dollars, the production to the bank of

(a) any authenticated copy of the probate of the will of the deceased depositor, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, *Ireland or any British colony*, or of any testament, testamentary or testament dative expede in Scotland;"

DOMINION GOVERNMENT CHEQUES.

Official cheques and cheques payable to government to be paid at par.

98. The bank shall not make any charge for cashing any cheque drawn on the Receiver General or on his account in the Bank of Canada or in any other bank or for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund or upon any cheque drawn in favour of the Government of Canada or any department thereof and tendered for deposit in the Consolidated Revenue Fund. R.S., c. 12, s. 98, am.

PURCHASE OF THE ASSETS OF A BANK.

Bank may sell assets to another bank.

99 (1) Any bank may sell the whole or any portion of its assets to any other bank which may purchase such assets; and the selling and purchasing banks may, for such purposes, enter into an agreement of sale and purchase, which agreement shall contain all the terms and conditions connected with the sale and purchase of such assets.

Consent of Minister.

(2) No agreement by a bank to sell the whole or any portion of its assets to another bank shall be made unless and until the Minister, in writing, consents that an agreement under subsection one of this section may be entered into between the two banks. R.S., c. 12, s. 99.

Consideration.

100. (1) The consideration for any such sale and purchase may be as agreed upon between the selling and purchasing banks.

If in shares of capital stock.

(2) If the consideration, or any portion thereof, is shares of the capital stock of the purchasing bank, the agreement shall provide for the amount of the shares of the purchasing bank to be paid to the selling bank.

Not considered issued until sold or distributed.

(3) Until such shares so paid to the selling bank have been sold by such bank, or have been distributed among and accepted by the shareholders of such bank, they shall not be considered issued shares of the purchasing bank for the purposes of its note circulation. R.S., c. 12, s. 100.

Agreement of sale to be submitted to shareholders at meeting.

101. (1) The agreement of sale and purchase shall be submitted to the shareholders of the selling and purchasing banks, either at the annual general meeting of the respective banks or at a special general meeting thereof called for the purpose.

Copy to each shareholder by mail.

(2) A copy of the agreement shall be mailed, post paid, to every shareholder of each bank to his last known address, at least four weeks previously to the date of the meeting at which the agreement is to be submitted, together with a notice of the time and place of the holding of such meeting. R.S., c. 12, s. 101.

98. The present section is as follows:—

"**98.** The bank shall not charge any discount or commission for the cashing of any official cheque of the Government of Canada or of any department thereof, whether drawn on the bank cashing the cheque or on any other bank, nor upon any cheque drawn in favour of the Government of Canada or any department thereof, and tendered for deposit to the credit of the Receiver General of Canada."

The change is made to bring the section into line with present and prospective administrative procedure and conforms closely to a similar section in the *Consolidated Revenue and Audit Act*.

Agreement may be executed if they approve.

102. (1) If at each meeting the agreement is approved by resolution carried by the votes of shareholders, present or represented by proxy, representing not less than two-thirds of the amount of the subscribed capital stock of the bank, the agreement may be executed under the seals of the banks, parties thereto, and application may be made to the Governor in Council, through the Minister, for approval thereof.

Approval of Governor in Council.

(2) Until the agreement is approved by the Governor in Council it shall not be of any force or effect. R.S., c. 12, s. 102.

Approval of shareholders of purchasing bank.

103. If the agreement provides for the payment of the consideration for such sale and purchase, in whole or in part, in shares of the capital stock of the purchasing bank, and for such purpose it is necessary to increase the capital stock of such bank, a by-law for the purpose may be passed by the shareholders at the meeting called to approve of the agreement. R.S., c. 12, s. 103.

Necessary increase of stock may be approved.

104. The Governor in Council may, on the application for his approval of the agreement, approve of the increase of the capital stock of the purchasing bank, which is necessary to provide for the payment of the shares of such bank to the selling bank, as provided in the said agreement. R.S., c. 12, s. 104.

Ordinary provisions for increase not to apply.

105. The provisions of this Act with regard to

(a) the increase of the capital stock of the bank by by-law of the shareholders approved by the Treasury Board; and

(b) the allotment and sale of such increased stock

shall not apply to any increase of stock made or provided for under the authority of the last two preceding sections. R.S., c. 12, s. 105.

Conditions on which Governor in Council may approve agreement.

106. (1) The approval of the Governor in Council shall not be given to the agreement, unless

(a) the consent of the Minister as prescribed by sub-section two of section ninety-nine of this Act has been given;

(b) the approval of the agreement is recommended by the Treasury Board;

(c) the application for approval thereof is made, by or on behalf of the bank executing it, within three months from the date of execution of the agreement; and

(d) it appears to the satisfaction of the Governor in Council that all the requirements of this Act in connection with the approval of the agreement by the shareholders of the selling and purchasing banks have been complied with, and that, after the approval by

the shareholders of the selling bank, notice of the intention of the banks to apply to the Governor in Council for the approval of the agreement has been published for at least four weeks in the Canada Gazette, and in one or more newspapers published in places where the chief offices of the banks are situate.

Information.

(2) Such banks shall afford all information that the Minister requires.

Approval may be refused.

(3) Nothing herein contained shall be construed to prevent the Governor in Council or the Treasury Board from refusing to approve of the agreement or to recommend its approval. R.S., c. 12, s. 106.

Further conditions.

107. (1) The agreement shall not be approved of unless it appears that

(a) proper provisions have been made for the payment of the liabilities of the selling bank;

(b) the agreement provides for the assumption and payment by the purchasing bank of the notes of the selling bank issued and intended for circulation, outstanding and in circulation; and

(c) the amounts of the notes of both the purchasing and selling banks, issued for circulation, outstanding and in circulation, as shown by the then last monthly returns of the banks, do not together exceed the then paid-up capital of the purchasing bank and the amount, if any, held for both of the said banks in the central gold reserves referred to in this Act; or if the amount of such notes does exceed such paid-up capital and the amount so held, an amount in cash, equal to the excess of such notes over such paid-up capital and the amount so held, has been deposited by the purchasing bank with the Minister.

Deposit.

(2) The amount so deposited under paragraph *(c)* of subsection one of this section shall be held by the Minister as security for the redemption of the said excess of notes; and when the amount of the notes of the two banks outstanding and in circulation is less than the aggregate of the paid-up capital of the purchasing bank, the amount aforesaid, if any, held in the central gold reserves, together with the amount so deposited, the difference shall, from time to time, be repaid by the Minister out of the deposit, to the extent thereof, to the purchasing bank, but without interest, on the application of such bank, and on the production of such evidence as the Minister may require to show the amount of the notes of the two banks then outstanding and in circulation. R.S., c. 12, s. 107.

Notes of selling bank to become notes of

108. (1) The notes of the selling bank so assumed and to be paid by the purchasing bank shall, on the approval of the agreement, be deemed to be, for all intents and pur-

purchasing bank.

poses, notes of the purchasing bank issued for circulation; and the purchasing bank shall be liable in the same manner and to the same extent as if it had issued them for circulation.

Circulation Fund.

(2) The amount at the credit of the selling bank in the Circulation Fund shall, on the approval of the agreement, be transferred to the credit of the purchasing bank.

As to withdrawal of deposit in central gold reserves.

(3) The trustees shall not permit any part of the deposit, if any, of the selling bank in the central gold reserves to be withdrawn under the provisions of this Act after the last juridical day of the month in which notice of intention to apply to the Governor in Council for approval of the agreement has been given and pending such approval, unless and until the trustees are notified in writing by the Minister of his consent thereto; and on the approval of the agreement the trustees shall hold the deposit, if any, for and as if such deposit had been originally made by the purchasing bank.

Notes to be called in.

(4) The notes of the selling bank shall not be reissued, but shall be called in, redeemed and cancelled as quickly as possible. R.S., c. 12, s. 108.

Evidence of approval by Governor in Council.

109. (1) The approval of the Governor in Council of the agreement shall be evidenced by a certified copy of the Order in Council approving thereof.

Orders in Council conclusive.

(2) A copy of such Order in Council or extract thereof, and a copy of such agreement, purporting to be certified to be true by the clerk or assistant or acting clerk of the King's Privy Council for Canada shall, in all courts of justice and for all purposes, be *prima facie* evidence of the said agreement, and of its due execution, and of its approval by the Governor in Council, and of the regularity of all proceedings in connection therewith. R.S., c. 12, s. 109.

On approval of Governor in Council the assets pass.

110. (1) On the agreement being approved of by the Governor in Council, the assets therein referred to as sold and purchased shall, in accordance with and subject to the terms thereof, and without any further conveyance, become vested in the purchasing bank.

Further assurance.

(2) The selling bank shall, from time to time, subject to the terms of the agreement, execute such formal and separate conveyances, assignments and assurances, for registration purposes or otherwise, as are reasonably required to confirm or evidence the vesting in the purchasing bank of the full title or ownership of the assets referred to in the agreement. R.S., c. 12, s. 110.

Selling bank to cease business and be wound up.

111. As soon as the agreement is approved of by the Governor in Council, the selling bank shall cease to issue or reissue notes for circulation, and shall cease to transact any business, except such as is necessary to enable it to carry out the agreement, to realize upon any assets not included in the agreement, to pay and discharge its lia-

bilities, and generally to wind up its business; and the charter or Act of incorporation of such bank, and any Acts in amendment thereof then in force, shall continue in force only for the purposes in this section specified. R.S., c. 12, s. 111.

RETURNS.

Monthly returns.

112. (1) The bank shall, within the first twenty-eight days of each month, transmit or deliver to the Minister a return in the form set forth in Schedule G to this Act: Provided, however, that the Governor in Council shall have power from time to time to make such amendments and additions to the said schedule as may be deemed necessary as a result of the Bank of Canada being authorized to commence business.

What return shall show.

(2) Such return shall exhibit the condition of the bank on the last juridical day of the month last preceding.

When return last received may be used.

(3) Notwithstanding anything in this section, whenever, in the usual course of the post, the return of a branch or agency for the last juridical day of the month, mailed at the branch or agency on or before the second day of the following month, does not reach

(a) the chief office of the bank on or before the eighteenth day of the month; or

(b) the office of the general manager, if the office of the general manager is at a place other than the chief office of the bank, on or before the fifteenth day of the month

the return last received from any such branch, exhibiting as far as that branch is concerned the condition of the bank at the date for which it purports to be made, may be used in the preparation of the monthly return called for by this section.

Copy to Bank of Canada.

(4) After the date on which the Bank of Canada is authorized to commence business the bank shall transmit or deliver to the Bank of Canada a copy of the return required by subsection one hereof within the time prescribed thereby.

Special returns.

(5) The Minister may also call for other or special returns from any bank, and may require that the bank shall transmit or deliver such other or special returns at monthly or other prescribed periods, or whenever in his judgment they are necessary to afford a full and complete knowledge of its condition.

Within 30 days from demand.

(6) The Minister may prescribe the time within which such other or special returns shall be transmitted or delivered to him; but unless otherwise prescribed the time within which any monthly or other periodic return shall be transmitted or delivered, shall be the time allowed by this section for a monthly return: Provided that the Minister may extend the time for transmitting any special return for such further period, not exceeding thirty days, as he thinks expedient. R.S., c. 12, s. 112, am.

Return accompanied by declaration.

113. (1) Every return provided for or required under the last preceding section shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule G to this Act,

How signed.

and shall be signed by the chief accountant or by the acting chief accountant, and by the president, or a vice-president, or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the declaration is signed.

Names of directors, president and vice-president sent to Minister.

(2) As soon as may be after the annual general meeting there shall be sent to the Minister the names of the directors elected thereat and the names of the president and vice-presidents, and should any vacancy occur in the membership of the board of directors, or in the office of president, or vice-president, the Minister shall forthwith

Vacancy.

be notified of the name of the person by whom the vacancy has been filled.

Notice to Minister of change of officers.

(3) If any change is made in the holder of the office of chief accountant or of general manager, the Minister shall forthwith be notified of the name of the person by whom the vacancy has been filled.

Return to show true position.

(4) Notwithstanding anything in the last preceding section contained it shall not, except as to the chief accountant or acting chief accountant of the bank, be sufficient for the purposes of any return provided for or required under the said section that such return agrees with the books of the bank, but the return shall set forth the true financial position of the bank on the last juridical day of the month last preceding the date of the return according to the latest information possessed by or reasonably available to the officers or any of them who sign the return.

Current loans not to include.

(5) For the purposes of any return provided for or required under the last preceding section, or for the purposes of any statement or balance sheet prepared and issued by a bank, there shall not be included amongst "current loans," any loan in respect of which

(a) the borrower has not for a period of two years preceding the date of such return, statement or balance sheet, paid the interest thereon at the rate agreed, in cash, unassisted by the bank;

(b) the bank has taken possession of the property or any part of the property covered by any security given by the borrower with the intention of realizing thereon, or has realized or taken any step or proceeding for the purpose of realizing upon any security given by the borrower;

(c) the bank has commenced an action at law to recover from the borrower the amount of the loan or any part thereof;

(d) the borrower has made an abandonment of his estate for the benefit of his creditors or any of them; or

(e) there is other cause, sufficient in the opinion of the manager of the branch of the bank where such loan is domiciled, or in the opinion of any director or officer of the bank who prepares, signs, approves or concurs in such return, statement or balance sheet, for deeming such loan not to be a current loan.

(6) Any loan falling within the last preceding subsection may be included amongst current loans if the directors declare that after due inquiry they have approved such loan as a current loan.

Controlled corporations.

(7) Whenever a bank carries on any part of its operations in the name of a corporation controlled by such bank, then such bank shall, for the purposes of any return required under the last preceding section, transmit or deliver therewith a separate return, showing the assets and liabilities of each such corporation, and the interest of the bank in such corporations shall be shown separately in any return respecting the affairs of the bank.

Amounts written off bank premises.

(8) Whenever a bank has appropriated out of its profits for any period, with the consent and approval of its shareholders had and obtained at any annual or special general meeting, any sum for the writing down of its bank premises or other assets, no portion of such sum so appropriated shall be again taken into account for the purposes of any return required under the last preceding section, or for the purposes of any statement prepared and issued by the bank, without the consent and approval of its shareholders, in like manner first had and obtained. R.S., c. 12, s. 113.

Annual returns of unpaid dividends and balances.

114. (1) The bank shall, within thirty days after the close of each calendar year, transmit or deliver to the Minister a return as at the end of such calendar year

(a) of all dividends which have remained unpaid for more than five years; and

(b) of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid, during the five years prior to the date of such return:

Provided that, in the case of moneys deposited for a fixed period, the said term of five years shall be reckoned from the date of the termination of such fixed period.

What return shall show.

(2) The return mentioned in the last preceding subsection shall set forth

(a) the name of each shareholder or creditor to whom such dividends, amounts or balances are, according to the books of the bank, payable;

(b) the last known address of each such shareholder or creditor;

(c) the amount due to each such shareholder or creditor;

(d) the branch or agency of the bank at which the last transaction took place;

(e) the date of such last transaction; and

(f) if such shareholder or creditor is known to the bank to be dead, the names and addresses of his legal representatives, so far as known to the bank.

Further annual return.

(3) The bank shall likewise, within thirty days after the close of each calendar year, transmit or deliver to the Minister a return of all certified cheques, drafts or bills of exchange, issued by the bank to any person, and remaining unpaid for more than five years prior to the date of such return, setting forth so far as known,

Particulars.

(a) the names of the persons to whom, or at whose request, such drafts, certified cheques, or bills of exchange were issued;

(b) the addresses of such persons;

(c) the names of the payees of such drafts or bills of exchange;

(d) the amounts and dates of such certified cheques, drafts or bills of exchange;

(e) the names of the places where such certified cheques, drafts or bills of exchange were payable; and

(f) the branches or agencies of the bank respectively from which such drafts, certified cheques, or bills of exchange were issued.

Amounts under five dollars.

(4) If a dividend, amount or balance, certified cheque draft, or bill of exchange is for a less sum than ten dollars and returns in respect thereof have been made under the preceding provisions of this section for two consecutive years, the bank may hereafter omit from the respective returns particulars required by the said provisions with regard to any such dividend, amount or balance, certified cheque, draft or bill of exchange.

Declarations and signatures.

(5) The returns required by the foregoing provisions of this section shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule I to this Act, and shall be signed by the chief accountant, and by the president or a vice-president or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the declaration is signed.

Notice that dividend draft or cheque remains unpaid.

(6) The bank shall transmit by registered post to the person to whom any such dividend, amount or balance is payable, and to the person to whom, in so far as known to the bank, and to the person at whose request any such draft, certified cheque or bill of exchange was issued, to the last known post office address of each person as shown by the books of the bank, a notice in writing stating that such dividend remains unpaid, or that in respect of such amount or balance no transaction has taken place or no interest has been paid, or that such draft, certified cheque or bill remains unpaid, as the case may be.

114. (4) The underlined word "ten" in the second line of this subsection is substituted for the word "five", and the underlined word "two" in the fourth line is substituted for the word "five". There is no other change.

When notice to be given.

(7) The notice called for by the next preceding subsection shall be given twice, namely, during the month of January next after the end of the first two-year period and also during the month of January next after the end of the first five-year period in respect of which

(a) the dividend has remained unpaid;

(b) no transaction has taken place or no interest has been paid in connection with such amount or balance; or

(c) the draft, certified cheque or bill has remained unpaid.

Certified annual return of shareholders transmitted to Minister.

(8) The bank shall, within thirty days after the close of each calendar year, transmit or deliver to the Minister a return of shareholders as at the end of such calendar year, certified by the general manager or other principal officer of the bank next in authority, in the management of the affairs of the bank at the time at which the return is certified, and by the officer of the bank in charge of the register of shareholders, to be a correct return and in accordance with the books of the bank with regard thereto.

Particulars.

(9) Such return shall show

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses;

(b) the number of shares then held by them respectively; and

(c) the amount, if any, remaining to be paid thereon.

Laid before Parliament.

(10) The Minister shall lay such returns before Parliament at the next session thereof. R.S., c. 12, s. 114, am.

PAYMENTS TO THE MINISTER UPON WINDING-UP.

Unclaimed moneys paid to Minister on winding-up of bank.

115. (1) If, in the event of the winding-up of the business of the bank in insolvency, or under any general winding-up Act, or otherwise, any moneys payable by the liquidator, either to shareholders or depositors, remain unclaimed,

(a) for the period of three years from the date of suspension of payment by the bank;

(b) for a like period from the commencement of the winding-up of such business; or

(c) until the final winding-up of such business, if the business is finally wound up before the expiration of the said three years,

With interest.

such moneys and all interest thereon shall, notwithstanding any statute of limitations or other Act relating to prescription, be paid to the Minister, to be held by him subject to all rightful claims on behalf of any person other than the bank.

Governor in Council may order payment to

(2) If a claim to any moneys so paid is thereafter established to the satisfaction of the Minister he may direct payment thereof to be made to the person entitled thereto,

114. (8) The word "return" has been substituted for "list" to designate the information required by this subsection.

114. (9) *(a)*. The present paragraph reads as follows:—

"(9) Such list shall show

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses *and descriptions;*"

The last two words are omitted.

Paragraph (9) *(c)* reads at present:—

"*(c)* the amount paid thereon."

115. (2) The first lines of the existing subsection read as follows:—

"(2) If a claim to any moneys so paid is thereafter established to the satisfaction of the *Treasury Board, the Governor in Council shall, on the report of the Treasury Board,* direct payment thereof to be made to the person entitled thereto."

person entitled.

Interest.

together with interest on the principal sum thereof, at the rate of three per centum per annum for a period not exceeding six years from the date of payment thereof to the Minister as aforesaid: Provided that no such interest shall be paid or payable on such principal sum unless interest thereon was payable by the bank paying the same to the Minister.

Bank discharged.

(3) Upon payment to the Minister as herein provided, the bank and its assets shall be held to be discharged from further liability for the amounts so paid. R.S., c. 12, s. 115, am.

Circulation outstanding at distribution of assets.

116. (1) Upon the winding-up of a bank in insolvency or under any general winding-up Act, or otherwise, the assignees, liquidators, directors, or other officials in charge of such winding-up shall, before the final distribution of the assets, or within three years from the commencement of the suspension of payment by the bank, whichever shall first happen, pay over to the Minister a sum, out of the assets of the bank, equal to the difference between the amount then outstanding of the notes intended for circulation issued by the bank, together with any interest on such outstanding notes which may have accrued under section sixty-five of this Act, and the aggregate of the amount at the credit of the bank in the Circulation Fund and the amount, if any, paid to the Minister by the trustees under section sixty-one of this Act.

Bank relieved.

(2) Upon such payment being made, the bank and its assets shall be relieved from all further liability in respect of such outstanding notes.

Minister to redeem.

(3) The sum so paid shall be held by the Minister and applied for the purpose of redeeming, whenever presented, such outstanding notes, without interest, except such as may have been paid over under this section. R.S., c. 12, s. 116.

CURATOR

Association to appoint curator.

117. (1) The Association shall, if a bank suspends payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, forthwith appoint a curator to supervise the affairs of such bank.

Removal.

(2) The Association may at any time remove the curator and may appoint another person to act in his stead. R.S., c. 12, s. 117, am.

Appointment by Association.

118. (1) The appointment of the curator shall be made in the manner provided for in the by-law of the Association made in that behalf as hereinafter provided.

If no by-law.

(2) If there is no such by-law the appointment shall be made in writing by the president of the Association, or by the person acting as president. R.S., c. 12, s. 118.

Powers and duties of curator.

119. (1) The curator shall assume supervision of the affairs of the bank, and of all necessary arrangements for the payment of the notes of the bank issued for circulation, and, at the time of his appointment, outstanding and in circulation.

Generally.

(2) The curator shall generally have all powers and shall take all steps and do all things necessary or expedient to protect the rights and interests of the creditors and shareholders of the bank, and to conserve and ensure the proper disposition, according to law, of the assets of the bank; and, for the purposes of this section, he shall have free and full access to all books, accounts, documents and papers of the bank.

Supervision.

(3) The curator shall continue to supervise the affairs of the bank until he is removed from office, or until the bank resumes business, or until a liquidator is duly appointed to wind up the business of the bank. R.S., c. 12, s. 119.

Officers and clerks to assist curator.

120. The president, vice-president, directors, general manager, managers, clerks and officers of the bank shall give and afford to the curator all such information and assistance as he requires in the discharge of his duties. R.S., c. 12, s. 120.

No act of directors valid unless approved by curator.

121. No by-law, regulation, resolution or act, touching the affairs or management of the bank, passed, made or done by the directors during the time the curator is in charge of the bank, shall be of any force or effect until approved in writing by the curator. R.S., c. 12, s. 121.

Curator to make returns as required by Minister.

122. The curator, or liquidator shall make all returns and reports, and shall give all information to the Minister, touching the affairs of the bank, that the Minister requires of him. R.S., c. 12, s. 122.

Remuneration of curator.

123. The remuneration of the curator for his services, and his expenses and disbursements in connection with the discharge of his duties, shall be fixed and determined by a judge of a superior court in the province where the chief office of the bank is situate, and shall be paid out of the assets of the bank, and, in case of the winding-up of the bank, shall rank on the estate equally with the remuneration of the liquidator. R.S., c. 12, s. 123.

BY-LAWS OF THE CANADIAN BANKERS' ASSOCIATION.

By-laws.

124. (1) The Association may, at any meeting thereof, with the approval of two-thirds in number of the banks represented at such meeting, if the banks so approving

have at least two-thirds in par value of the paid-up capital of the banks so represented, make by-laws, rules and regulations respecting

As to what subjects.

(a) all matters relating to the appointment or removal of the curator, and his powers and duties;

(b) the supervision of the making of the notes of the banks which are intended for circulation, and the delivery thereof to the banks;

(c) the inspection of the disposition made by the banks of such notes;

(d) the destruction of notes of the banks;

(e) the custody and management of the central gold reserves and the carrying out of the provisions of this Act relating to such reserves; and

(f) the imposition of penalties for the breach or non-observance of any by-law, rule or regulation made by virtue of this section.

Approved by Treasury Board.

(2) No such by-law, rule or regulation, and no amendment or repeal thereof, shall be of any force or effect until approved by the Treasury Board.

Enforcement of by-laws.

(3) The Association shall have all powers necessary to carry out, or to enforce the carrying out, of any by-law, rule or regulation, or any amendment thereof, so approved by the Treasury Board. R.S., c. 12, s. 124.

INSOLVENCY.

Liability of shareholders.

125. (1) In the event of the property and assets of the bank being insufficient to pay its debts and liabilities, each shareholder of the bank shall be liable for the deficiency to an amount equal to the par value of the shares held by him, in addition to any amount not paid up on such shares.

(2) On and from the day on which the Bank of Canada is authorized to commence business the liability of a shareholder of a bank under this section, in addition to any amount not paid up on his shares, shall not exceed that proportion of the par value of the shares held by him which the amount of notes which the bank is authorized by this Act to have in circulation in Canada plus the amount of the notes of the bank issued and in circulation elsewhere than in Canada bears to the paid-up capital of the bank.

"Shareholder" defined.

(3) "Shareholder," within the meaning of this section, shall include an undisclosed principal and, to the extent of his interest, a *cestui que trust*, on whose behalf or for whose benefit shares in the capital stock of the bank are held. R.S., c. 12, s. 125, am.

125. (2) This subsection provides for a reduction in the double liability of shareholders in proportion to the withdrawal of the right of note issue under section 61.

Suspension for 90 days to constitute insolvency.

126. Any suspension by the bank of payment of any of its liabilities as they accrue, in specie or Dominion or Bank of Canada notes, shall, if it continues for ninety days consecutively, or at intervals within twelve consecutive months, constitute the bank insolvent, and work a forfeiture of its charter or Act of incorporation, so far as regards all further banking operations. R.S., c. 12, s. 126, am.

Charter to remain in force for calls and winding-up.

127. The charter or Act of incorporation of the bank shall, in the case mentioned in the next preceding section, remain in force only for the purpose of enabling the directors, or other lawful authority, to make and enforce the calls mentioned in the next following section of this Act, and to wind up the business of the bank. R.S., c. 12, s. 127.

If no proceedings within 3 months thereafter, directors to make calls

128. (1) If any suspension of payment in full, in specie or Dominion or Bank of Canada notes, of all or any of the notes or other liabilities of the bank, continues for three months after the expiration of the time which, under the two last preceding sections would constitute the bank insolvent, and if no proceedings are taken under any Act for the winding-up of the bank, the directors shall make calls on the shareholders thereof to the amount they deem necessary to pay all the debts and liabilities of the bank not exceeding the limit of liability of the shareholders hereinbefore specified, without waiting for the collection of any debts due to the bank or the sale of any of its assets or property.

Intervals

(2) Such calls shall be payable at intervals of thirty days.

Notice.

(3) Notice of such calls shall be given to the shareholders.

Number.

(4) Any number of such calls may be made by one resolution.

Amount.

(5) No such call shall exceed twenty per centum on each share.

Payment.

(6) Payment of such calls may be enforced in like manner as payment of calls on unpaid stock may be enforced.

First call.

(7) The first of such calls may be made within ten days after the expiration of the said three months.

Procedure.

(8) In the event of proceedings being taken under any Act for the winding-up of the bank in consequence of the insolvency of the bank, the said calls shall be made in the manner prescribed for the making of such calls in such Act.

Forfeiture for non-ayment.

(9) Any failure on the part of any shareholder liable to any such call to pay the same when due shall work a forfeiture by such shareholder of all claim in or to any part of the assets of the bank: Provided that such call and any further call thereafter shall nevertheless be recoverable from him as if no such forfeiture had been incurred. R.S., c. 12, s. 128, am.

Proviso.

Liability of directors not diminished.

129. Nothing in the four sections last preceding shall be construed to alter or diminish the additional liabilities of the directors as herein mentioned and declared. R.S., c. 12, s. 129.

Liability of shareholders who have transferred their stock.

130. *(a)* Persons who, having been shareholders of the bank, have only transferred their shares, or any of them, to others, as hereinbefore provided, within sixty days before the commencement of the suspension of payment by the bank; and

Or whose subscriptions have been cancelled.

(b) Persons whose subscriptions to the stock of the bank have been forfeited, in manner hereinbefore provided, within the said period of sixty days before the commencement of the suspension of payment by the bank

shall be liable to all calls on the shares held or subscribed for by them, as if they held such shares at the time of such suspension of payment, saving their recourse against those by whom such shares were then actually held. R.S., c. 12, s. 130.

Order of charges.

Notes.

131. In the case of the insolvency of any bank

(a) the payment of the notes issued or reissued by such bank, intended for circulation, and then in circulation, together with any interest paid or payable thereon as hereinbefore provided, shall be the first charge upon the assets of the bank;

Dominion Government.

(b) the payment of any amount due to the Government of Canada, in trust or otherwise, shall be the second charge upon such assets;

Provincial governments.

(c) the payment of any amount due to the government of any of the provinces, in trust or otherwise, shall be the third charge upon such assets; and

Penalties.

(d) the amount of any penalties for which the bank is liable shall not form a charge upon the assets of the bank, until all other liabilities are paid. R.S., c. 12, s. 131.

OFFENCES AND PENALTIES.

Payments of Incorporation and Organization expenses.

Offences.

Payments of expenses prior to obtaining Treasury Board certificate.

132. (1) If prior to the time at which the certificate permitting the bank to issue notes and commence the business of banking has been obtained from the Treasury Board, any provisional director or director authorizes or is a party to the payment of, or receives, out of moneys paid in by subscribers or interest thereon, any sum for commission, salary or charges for services in connection with or arising out of the incorporation or organization of the bank, it shall be an offence against this Act.

After certificate obtained.

(2) If after the certificate has been obtained from the Treasury Board, any director authorizes payment of, or any general manager or other officer of the bank pays or causes to be paid any money for or on account of the incorporation or organization expenses of the bank, except and unless the sum so paid is mentioned or included in the statement submitted to the Treasury Board at the time at which the application is made under this Act to the Board for a certificate permitting the bank to issue notes and commence the business of banking, it shall be an offence against this Act.

When no certificate obtained.

(3) If no certificate from the Treasury Board has been obtained within the time limited by this Act, it shall be an offence against this Act for any provisional director or director to authorize or be a party to the payment of, or to receive, out of moneys paid in by subscribers, any sum for commission, salary or charges for services in connection with or arising out of the incorporation or organization of the bank, unless provision had been made pursuant to section sixteen of this Act for payment. R.S., c. 12, s. 132.

Penalty for bank officers obtaining gifts or showing favour.

133. (1) Every one is guilty of an offence and liable, upon conviction on indictment, to two years' imprisonment, or to a fine not exceeding two thousand five hundred dollars, or to both, and, upon summary conviction, to imprisonment for six months, with or without hard labour, or to a fine not exceeding one hundred dollars, or both, who

(a) being a director, general manager, manager, or other executive officer of a bank, corruptly accepts or obtains, or agrees to accept or attempts to obtain, from any person for himself or for any other person, any gift or consideration as an inducement or reward for doing or forbearing to do, or for having done or forborne to do, any act relating to the bank's business or affairs, or for showing or forbearing to show favour or disfavour to any person with relation to the bank's business or affairs; or

Penalty for offering gifts or showing favour to bank officers.

(b) corruptly gives or agrees to give or offers any gift or consideration to any director, general manager, manager, or other executive officer of a bank as an inducement or reward or consideration to such director, general manager, manager, or other executive officer of the bank, for doing or forbearing to do, or for having done or forborne to do, any act relating to the bank's business or affairs, or for showing or forbearing to show favour or disfavour to any person with relation to the bank's business or affairs.

"Consideration" defined.

(2) In this section "consideration" includes valuable consideration of any kind. R.S., c. 12, s. 133, am.

133. *(a)* and *(b)* The words "after this Act comes into force" after the word "having" in the sixth and seventh line of the existing paragraph *(a)* and in the seventh line of existing paragraph *(b)* are omitted.

Commencement of Business

Commencing business without certificate.

134. Every director or provisional director of any bank and every other person who, before the obtaining of the certificate from the Treasury Board by this Act required, permitting the bank to issue notes or commence business, issues or authorizes the issue of any note of such bank, or transacts or authorizes the transaction of any business in connection with such bank, except such as is by this Act authorized to be transacted before the obtaining of such certificate, is guilty of an offence against this Act. R.S., c. 12, s. 134.

Sale and Transfer of Shares.

Offence.

135. Any person, whether principal, broker or agent, who wilfully sells or transfers or attempts to sell or transfer

(a) any share or shares of the capital stock of any bank by a false number;

Sale and transfer of shares contrary to requirements.

(b) any share or shares of which the person making such sale or transfer, or in whose name or on whose behalf the same is made, is not at the time of such sale, or attempted sale, the registered owner; or

(c) any share or shares, without the assent to such sale of the registered owner thereof

Offence.

is guilty of an offence against this Act. R.S., c. 12, s. 135.

Cash Reserves.

Penalty for cash reserve not held in prescribed notes.

136. Every bank which at any time holds in Dominion notes less than forty per centum of the cash reserves which it has in Canada shall incur a penalty of five hundred dollars for each such offence.

Repeal.

(2) This section shall be repealed on and from the date the Bank of Canada is authorized to commence business. R.S., c. 12, s. 136, am.

Issue and Circulation of Notes.

Excess of circulation.

137. If the total amount of the notes of the bank in circulation at any time exceeds the amount authorized by any statute, the bank shall,

(a) if the amount of such excess is not over one thousand dollars, incur a penalty equal to the amount of such excess;

(b) if the amount of such excess is over one thousand dollars, and not over twenty thousand dollars, incur a penalty of one thousand dollars;

136. This is consequent upon a similar provision in section 60.

137. The first three lines of this section at present read:—

"**137.** If the total amount of the notes of the bank in circulation at any time exceeds the amount authorized by *this Act and by the Finance Act,* the bank shall,"

The underlined word in the text of the Bill is substituted for the words in italics.

The proviso is added to modify the penalty for over-issue through accident or other uncontrollable cause.

(c) if the amount of such excess is over twenty thousand dollars, and not over one hundred thousand dollars, incur a penalty of ten thousand dollars;

(d) if the amount of such excess is over one hundred thousand dollars, and not over two hundred thousand dollars, incur a penalty of fifty thousand dollars; or

(e) if the amount of such excess is over two hundred thousand dollars, incur a penalty of one hundred thousand dollars;

Provided however that in any case where the amount of notes in circulation has exceeded the amount authorized, and it is established by the bank to the satisfaction of the Minister that such excess occurred despite reasonable precautions on the part of the bank and did not continue for a longer period than twenty days, the penalty may be at the rate of ten per centum per annum on the amount of such excess. R.S., c. 12, s. 137, am.

Unauthorized issue of notes for circulation.

138. (1) Every person, except a bank to which this Act applies, who issues or reissues, makes, draws or endorses any bill, bond, note, cheque or other instrument, intended to circulate as money, or to be used as a substitute for money, for any amount whatsoever, shall incur a penalty of four hundred dollars.

Penalty, recovery of.

(2) Such penalty shall be recoverable with costs in any court of competent jurisdiction by any person who sues for the same.

Appropriation.

(3) A moiety of such penalty shall belong to the person suing for the same, and the other moiety to His Majesty for the public uses of Canada.

Intention presumed.

(4) If any such instrument is made for the payment of a less sum than twenty dollars, and is payable either in form or in fact to the bearer thereof, or at sight, or on demand, or at less than thirty days thereafter, or is overdue, or is in any way calculated or designed for circulation, or as a substitute for money, the intention to pass the same as money shall be presumed unless such instrument is

Exceptions.

(a) a cheque on some chartered bank paid by the maker directly to his immediate creditor; or

(b) a promissory note, bill of exchange, bond or other undertaking for the payment of money made or delivered by the maker thereof to his immediate creditor; and

(c) not designed to circulate as money or as a substitute for money. R.S., c. 12, s. 138.

Defacements of notes.

139. (1) Every person who mutilates, cuts, tears or perforates with holes any Dominion or Bank of Canada or bank note, or who in any way defaces a Dominion or Bank

of Canada or bank note, whether by writing, printing, drawing or stamping thereon, or by attaching or affixing thereto anything in the nature or form of an advertisement shall, on summary conviction, be liable to a penalty not exceeding twenty dollars.

Penalty.

Issue by bank, of notes not disinfected or sterilized.

(2) Every officer, clerk and servant of a bank who, for the bank, reissues to the public any bank notes or Dominion or Bank of Canada notes which have not been disinfected and sterilized in accordance with the regulations made by the Treasury Board under the authority of this Act shall, on the information of any person, on summary conviction, be liable to a penalty not exceeding twenty dollars.

Penalty.

(3) In the event of the conviction of any officer, clerk or servant of a bank under this section, the bank shall thereby incur a penalty of fifty dollars. R.S., c. 12, s. 139, am.

Issuing notes during period of suspension.

140. *(a)* Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of the bank, issues or reissues, during any period of suspension of payment by the bank of its liabilities, any notes of the bank payable to bearer on demand, and intended for circulation, or authorizes or is concerned in any such issue or reissue; and

Or without authority of Treasury Board.

(b) if, after any such suspension, the bank resumes business without the consent in writing of the curator hereinbefore provided for, every person who being president, vice-president, director, general manager, manager, clerk or other officer of the bank issues or re-issues, or authorizes or is concerned in the issue or reissue of any such notes before being thereunto authorized by the Treasury Board; and

And accepting such notes.

(c) every person who accepts, receives or takes, or authorizes or is concerned in the acceptance, receipt or taking of any such notes, knowing the same to have been so issued or reissued, from the bank, or from such president, vice-president, director, general manager, manager, clerk or other officer of the bank, in payment or part payment, or as security for the payment of any amount due or owing to such person by the bank,

Penalty.

is guilty of an indictable offence, and liable to imprisonment for a term not exceeding seven years, or to a fine not exceeding two thousand dollars, or to both. R.S., c. 12, s. 140.

Pledging of notes by officers of bank.

141. *(a)* Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of the bank, pledges, assigns, or hypothecates, or authorizes, or is concerned in the pledge, assignment or hypothecation of the notes of the bank, and,

Accepting.

(b) every person who accepts, receives or takes, or authorizes or is concerned in the acceptance or receipt or taking of such notes as a pledge, assignment or hypothecation,

Penalty.

shall be liable to a fine of not less than four hundred dollars and not more than two thousand dollars, or to imprisonment for not more than two years, or to both. R.S., c. 12, s. 141.

Issuing notes fraudulently.

142. *(a)* Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of a bank, with intent to defraud, issues or delivers, or authorizes or is concerned in the issue or delivery of notes of the bank intended for circulation and not then in circulation; and

Knowingly accepting.

(b) every person who, with knowledge of such intent, accepts, receives or takes, or authorizes or is concerned in the acceptance, receipt or taking of such notes,

Penalty.

shall be guilty of an indictable offence, and liable to imprisonment for a term not exceeding seven years, or to a fine not exceeding two thousand dollars, or to both. R.S., c. 12, s. 142.

Annual Statement and Auditors' Report.

Issue of annual statement without auditor's report.

143. If any copy of the statement or of the profit and loss account submitted under section fifty-three of this Act, which has not been signed as required by that section, is issued, circulated or published, or if any copy of such statement is issued, circulated or published without having a copy of the auditors' report attached thereto, the bank, and every director, general manager or other officer of the bank who is knowingly a party to the default, shall be

Penalty.

liable to a fine not exceeding two hundred and fifty dollars. R.S., c. 12, s. 143.

Inspection.

No loan or gratuity to be made by bank officials to inspector or his officers.

144. Any bank which, or any director, president, general manager or any officer of a bank who, directly or indirectly makes a loan or grant or gives any gratuity to the Inspector or any other person appointed or employed under section fifty-six of this Act, and the Inspector or any such person who accepts or receives, directly or indirectly, any such loan, grant or gratuity, commits an offence

Offence and penalty.

against this Act and is liable to the penalties hereinafter provided, so far as applicable, in addition to any punishment otherwise provided. 1924, c. 7, s. 1; R.S., c. 12, s. 144.

Secrecy.

145. The Inspector or any person appointed or employed under section fifty-six of this Act who discloses to any other person, except the Minister and the Deputy Minister of Finance, any information regarding a bank, its business or affairs, commits an offence against this Act. 1924, c. 7. s. 1; R.S., c. 12, s. 145.

Warehouse Receipts, Bills of Lading and other Securities.

Bank acquiring warehouse receipt or bill of lading.

146. If any bank, to secure the payment of any bill, note, debt or liability, acquires or holds

(a) any warehouse receipt or bill of lading; or

(b) any instrument such as is by this Act authorized to be taken by the bank to secure money lent,

(i) to any wholesale purchaser, or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers upon the security of such products;

(ii) to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise upon the security of the goods, wares and merchandise manufactured by such person, or procured for such manufacture;

(iii) to any farmer upon the security of threshed grain;

(iv) to any owner, tenant or occupier of land for the purchase of seed grain upon the security of any crop to be grown from such seed grain; or

(v) to any farmer or person engaged in stock raising upon the security of live stock,

such bank shall, unless

Except in certain cases.

(a) such bill, note, debt or liability is negotiated or contracted at the time of the acquisition by the bank of such warehouse receipt, bill of lading or security;

(b) such bill, note, debt or liability is negotiated or contracted upon the written promise or agreement that a warehouse receipt, bill of lading or security, as aforesaid, would be given to the bank; or

(c) the acquisition or holding by the bank of such warehouse receipt, bill of lading or security is otherwise authorized by this Act,

Penalty.

incur a penalty not exceeding five hundred dollars. R.S., c. 12, s. 146, am.

Non-compliance with requirements for sale.

147. If any debt or liability to the bank is secured by

(a) any warehouse receipt or bill of lading; or

(b) any other security such as is mentioned in the last preceding section,

and is not paid at maturity, such bank shall, if it sells the products, goods, wares and merchandise covered by such warehouse receipt, bill of lading or security, under the power

146. Second paragraph *(b)* at present reads:—

"*(b)* such bill, note, debt or liability is negotiated or contracted upon the written promise or agreement that *such* warehouse receipt, bill of lading or security would be given to the bank; or"

These changes as underlined are made consequent upon the changes in paragraph *(b)* of subsection (1) of section 90.

of sale conferred upon it by this Act, without complying with the provisions to which the exercise of such power

Penalty.

of sale is, by this Act, made subject, incur a penalty not exceeding five hundred dollars. R.S., c. 12, s. 147, am.

Making false statements.

148. Every person is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years who wilfully makes any false statement

In warehouse receipt or bill of lading.

(a) in any warehouse receipt or bill of lading given under the authority of this Act to any bank;

In security upon products.

(b) in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers or to any farmer or person engaged in stock raising, whereby any such products or stock is assigned or transferred to the bank as security for the payment of such loan;

In security upon manufactures.

(c) in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise, whereby any of the goods, wares and merchandise manufactured by him, or procured for such manufacture, are transferred or assigned to the bank as security for the payment of such loan; or

In security upon grain.

(d) in any instrument given to any bank under the authority of this Act as security for any loan of money made by the bank to a farmer or to the owner, tenant or occupier of land whereby any grain is transferred or assigned to the bank as security for the payment of such loan. R.S., c. 12, s. 148, am.

Wilfully disposing of or withholding goods covered by security.

149. Every person who, having possession or control of any products, goods, wares and merchandise covered by any warehouse receipt or bill of lading or by any such security as in the last preceding section mentioned, and having knowledge of such receipt, bill of lading or security, without the consent of the bank in writing, and before the advance, bill, note, debt or liability thereby secured has been fully paid,

(a) wilfully alienates or parts with any such products, goods, wares or merchandise; or

(b) wilfully withholds from the bank possession of any such products, goods, wares and merchandise, upon demand, after default in payment of such advance, bill, note, debt or liability,

Penalty.

is guilty of an indictable offence, and liable to imprisonment for a term not exceeding two years. R.S., c. 12, s. 149, am.

148. *(b)* The existing paragraph reads as follows:—

"*(b)* in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, *or of any wholesale purchaser, or shipper of or dealer in live or dead stock or the products thereof*, or farmer or person engaged in stock raising, whereby any such products or stock is assigned or transferred to the bank as security for the payment of such loan;"

Bank not selling shares subject to privileged lien.

150. *(a)* If any bank having, by virtue of the provisions of this Act, a privileged lien for any debt or liability for any debt to the bank, on the shares of its own capital stock of the debtor or person liable, neglects to sell such shares within twelve months after such debt or liability has accrued and become payable; or

Or selling without notice.

(b) if any such bank sells any such shares without giving notice to the holder thereof of the intention of the bank to sell the same, by mailing such notice in the post office, postpaid, to the last known address of such holder, at least thirty days prior to such sale,

Penalty.

such bank shall incur, for each such offence, a penalty not exceeding five hundred dollars. R.S., c. 12, s. 150.

Prohibited Business.

Bank doing prohibited business.

151. If any bank, except as authorized by this Act, either directly or indirectly

(a) deals in the buying or selling or bartering of goods, wares and merchandise, or engages or is engaged in any trade or business whatsoever;

(b) purchases, deals in, or lends money or makes advances upon the security or pledge of any share of its own capital stock, or of the capital stock of any bank;

(c) lends money or makes advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property, or of any ships or other vessels, or upon the security of any goods, wares and merchandise;

(d) lends to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank without the approval of the directors any amount or amounts exceeding in the aggregate one thousand dollars;

(e) lends to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank any amount or amounts exceeding in the aggregate ten thousand dollars; or

(f) lends money or makes advances in excess of five per centum of its paid-up capital to a director of the bank or to any company or corporation in which the president, general manager or a director of the bank is a partner or shareholder, as the case may be, without the approval of two-thirds of the directors present at a regular meeting, or a meeting specially called for the purpose, of the Board,

Penalty.

such bank shall incur a penalty not exceeding five hundred dollars. R.S., c. 12, s. 151, am.

151. *(f)* Paragraph *(f)* has reference to section 75 (2) *(f)*.

Hypothecation of notes prohibited.

152. It shall be an offence against this Act for any director, officer, clerk or servant of the bank to pledge, assign or hypothecate the notes of the bank on behalf of the bank. R.S., c. 12, s. 152.

Payment of liabilities of bank after suspension.

153. If a bank suspends payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, then, so long as such suspension continues, it shall be an offence against this Act for any director, officer, clerk or servant of the bank who has knowledge of such suspension to pay or cause to be paid to any person any debt or liability of the bank unless with the consent of a curator or liquidator duly appointed. R.S., c. 12, s. 153, am.

Returns.

Bank not making monthly return.

154. Every bank which neglects to transmit or deliver to the Minister, within the first twenty-eight days of any month, any monthly return by this Act required to be made up and sent in within the said twenty-eight days, exhibiting the condition of the bank on the last juridical day of the month last preceding, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 154.

Penalty.

Neglecting return of additional issue of notes.

155. Every bank which neglects to transmit or deliver to the Minister, within the first twenty-eight days after the last day of the month, a return showing the amount of its notes in circulation for each juridical day during the month last preceding and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 155, am.

Penalty.

Neglecting return of value of property.

156. Every bank which neglects to transmit or deliver to the Minister during the month of January in each year a return showing in detail the fair market value of its real and immovable property held under section seventy-eight of this Act, together with the other information prescribed by the said section, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 156.

Penalty.

155. This section at present is as follows:—

"**155.** Every bank which neglects to transmit or deliver to the Minister, within the first thirty days after the last day of the month *in which any amount of its notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding*, a return showing the amount of its notes in circulation for each juridical day during such month, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day, after the expiration of such time, during which such neglect continues."

The words "in which any amount of its notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding" in the third, fourth and fifth lines, are omitted pursuant to the amendment to section 61 (19).

Neglecting quarterly return.

157. Every bank which neglects to transmit or deliver to the Minister a semi-annual return as of the last juridical day of the months of June and December in each year, giving such particulars as may be prescribed by regulations made by the Treasury Board of the interest and discount rates charged by the bank, such returns to be made up and sent in within the first thirty days after the respective juridical days aforesaid, and signed by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 157, am.

Penalty.

Not making returns required by Minister.

158. Every bank which neglects to transmit or deliver to the Minister, within thirty days from the date of the demand therefor by the Minister, or, if such time is extended by the Minister, within such extended time, not exceeding thirty days, as the Minister may allow, any special return, signed in the manner and by the persons by this Act required, which under the provisions of this Act the Minister may, for the purpose of affording a full and complete knowledge of the condition of the bank, call for, shall incur a penalty of five hundred dollars for each and every day during which such neglect continues. R.S., c. 12, s. 158.

Penalty.

Bank not making annual returns of drafts and bills.

159. Every bank which neglects to transmit or deliver to the Minister, within thirty days after the close of any calendar year, a return, signed in the manner and by the persons and setting forth the particulars by this Act required in that behalf, of all certified cheques, drafts or bills of exchange issued by the bank to any person and remaining unpaid for more than five years prior to the date of such return, shall incur a penalty of fifty dollars for each and every day during which such neglect continues. R.S., c. 12, s. 159.

Penalty.

Not returning annual list.

160. Every bank which neglects to transmit or deliver to the Minister, within thirty days after the close of any calendar year, a certified return, as by this Act required, showing

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses;

(b) the number of shares then held by such shareholders respectively; and

(c) the amount, if any, remaining to be paid thereon,

shall incur a penalty of fifty dollars for each and every day during which such neglect continues. R.S., c. 12, s. 160, am.

Penalty.

157. The underlined word "semi-annually" is substituted for the word "quarterly" pursuant to the amendment to section 91 (2).

160. *(a).* The words "and descriptions" after the words "post office addresses," at the end of this paragraph, are omitted pursuant to the amendment to section 114, (9) *(a).*

Not making annual returns of dividends, balances, drafts and bills.

161. (1) Every bank which neglects to transmit or deliver to the Minister, within thirty days after the close of any calendar year, a return, signed in the manner and by the persons by this Act required, of all dividends which have remained unpaid for more than five years, and also of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid, during the five years prior to the date of such return, and also of all certified cheques, drafts or bills of exchange issued by the bank and remaining unpaid for more than five years prior to the date of such return, as required by the provisions of this Act in the several cases respectively mentioned, shall incur a penalty of fifty dollars for each and every day during which such neglect continues.

Penalty.

Period of 5 years.

(2) The said term of five years shall, in case of moneys deposited for a fixed period, be reckoned from the date of the termination of such fixed period. R.S., c. 12, s. 161.

Date of posting return or list.

162. If any return mentioned in the last eight preceding sections is transmitted by post, the date appearing, by the post office stamp or mark upon the envelope or wrapper inclosing the return received by the Minister, as the date of deposit in the post office of the place at which the chief office of the bank was situated shall be taken *prima facie*, for the purpose of any of the said sections, to be the day upon which such return was transmitted to the Minister. R.S., c. 12, s. 162.

Making false or deceptive statement in account or return.

163. (1) Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who knowingly prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank containing any false or deceptive statement, or any return which does not set forth the true financial position of the bank including all the information required by section one hundred and thirteen of this Act, shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding five years.

Penalty.

Liability of officers.

(2) Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who negligently prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank containing any false or deceptive statement, or any return which does not set forth the true financial position of the bank including all the information required by section one hundred and thirteen of this Act, shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding three years. R.S., c. 12, s. 163.

Calls in the case of Suspension of Payment.

Director refusing to make calls on suspension of bank.

164. *(a)* If any suspension of payment in full, in specie or Dominion or Bank of Canada notes, of all or any of the notes or other liabilities of the bank continues for three months after the expiration of the time which, under the provisions of this Act, would constitute the bank insolvent; and

(b) if no proceedings are taken under any Act for the winding-up of the bank; and

(c) if any director of the bank refuses to make or enforce, or to concur in the making or enforcing of any call on the shareholders of the bank, to any amount which the directors deem necessary to pay all the debts and liabilities of the bank,

Penalty.

such director shall be guilty of an indictable offence, and liable

(a) to imprisonment for a term not exceeding two years; and

(b) personally for any damages suffered by any such default. R.S., c. 12, s. 164, am.

Undue Preference to the Bank's Creditors.

Officers giving undue preference to any creditor.

165. Every person who, being president, vice-president, director, general manager, manager or other officer of the bank, wilfully gives or concurs in giving to any creditor of the bank any fraudulent, undue or unfair preference over other creditors, by giving security to such creditor, or by changing the nature of his claim, or otherwise howsoever, is guilty of an indictable offence, and liable

Penalty.

(a) to imprisonment for a term not exceeding two years; and

Damages.

(b) for all damages sustained by any person in consequence of such preference. R.S., c. 12, s. 165.

Use of the Title "Bank," etc.

Unauthorized use of title "bank," etc.

166. (1) Every person using the word "bank" or the words "savings bank," "banking company," "banking house," "banking association," or "banking institution," or any word or words of import equivalent thereto in any foreign language, in a sign or in an advertisement, or in a title to represent or describe his business or any part of his business without being authorized so to do by this Act, or by some other Act in force in that behalf, is guilty of an offence against this Act.

Offence.

Unauthorized use of words "banker," "private banker."

(2) Every person who uses in a sign or in an advertisement or in a title to represent or describe his business words in a foreign language of import equivalent to the word "banker," or equivalent to the words "private bank-

er," without being authorized so to do by this Act or by some other Act in force in that behalf, is guilty of an offence against this Act. R.S., c. 12, s. 166, am.

Offence.

Penalty for Offence against this Act.

Offence against this Act. Penalty.

167. Every person committing an offence, declared to be an offence against this Act, shall, unless otherwise provided by this Act, be liable to a fine not exceeding one thousand dollars, or to imprisonment for a term not exceeding five years, or to both, in the discretion of the court before which the conviction is had. R.S., c. 12, s. 167.

PROCEDURE.

Penalties enforceable at suit of Attorney General or Minister.

168. (1) The amount of all penalties imposed upon a bank or person for any violation of this Act shall, unless otherwise provided by this Act, be recoverable and enforceable, with costs, at the suit of His Majesty instituted by the Attorney General of Canada, or by the Minister.

Appropriation.

(2) Such penalties shall, unless otherwise provided by this Act, belong to the Crown for the public uses of Canada:

Proviso.

Provided that the Governor in Council, on the report of the Treasury Board, may direct that any portion of any penalty be remitted, or paid to any person, or applied in any manner deemed best adapted to attain the objects of this Act, and to secure the due administration thereof. R.S., c. 12, s. 168.

R.S., c. 12 repealed.

169. Chapter twelve of the Revised Statutes of Canada, 1927, is repealed.

Commencement of Act.

170. This Act shall come into force on the first day of July, one thousand nine hundred and thirty-four.

166. (3) The existing subsection is omitted. It reads as follows:—

"(3) The Minister may, upon the application of any interested person, require that any person who receives money on deposit or receives money for transmission to a foreign country without being authorized so to do, either by or under the authority of a statute of Canada or any province thereof, shall make to the Minister in such form as the Minister may prescribe, a return respecting the business so carried on; or the Minister may direct an inquiry into such business and that a report be made to him thereon by any one whom he may select from the list of persons eligible to audit the affairs of a bank, or by any other person whom he may designate for that purpose; and the Minister may, after due consideration of such return or report, require that such business be discontinued, or that security be deposited as a condition of the continuance thereof, to such extent and in such manner as the public interest may seem to require; and failure to comply with such requirement, within such time as the Minister shall allow, shall be an offence against this Act; and if the offender be a body corporate, then every officer of such body corporate shall be guilty of such offence. R.S., c. 12, s. 166."

SCHEDULE A.

(Section 4).

Name of Bank	Capital authorized	Chief Office of Bank
1. Bank of Montreal.....	$ 50,000,000	Montreal
2. The Bank of Nova Scotia	15,000,000	Halifax
3. The Bank of Toronto....	10,000,000	Toronto
4. La Banque Provinciale du Canada.....	5,000,000	Montreal
5. The Canadian Bank of Commerce.....	50,000,000	Toronto
6. The Royal Bank of Canada.....	50,000,000	Montreal
7. The Dominion Bank.....	10,000,000	Toronto
8. Banque Canadienne Nationale.....	10,000,000	Montreal
9. Imperial Bank of Canada	10,000,000	Toronto
10. Barclays Bank (Canada).	500,000	Montreal

1932-33, c. 23.

SCHEDULE B.

(Section 9).

An Act to incorporate the————————Bank.

Whereas the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. [*Insert names of those applying for incorporation; the full name, address and description of each director must be given*], together with such persons as become shareholders in the corporation by this Act created, are incorporated under the name of [*insert name of bank*] hereinafter called "the Bank."

2. The persons named in section 1 of this Act shall be the provisional directors of the Bank.

3. The capital stock of the Bank shall be————dollars.

4. The chief office of the Bank shall be at————.

5. This Act shall, subject to the provisions of section sixteen of the Bank Act, remain in force until the first day of July, in the year one thousand nine hundred and forty-four.

R.S., c. 12, Sch. B, am.

SCHEDULE C.

(Section 88 (6)).

In consideration of an advance of————————dollars made by the————————Bank to A.B., for which the said Bank holds the following bills or notes: (*describe the bills or notes, if any*), [*or*, in consideration of the discounting of the following bills or notes by the————————Bank for A.B.; (*describe the bills or notes*),] the products of agriculture, the forest, quarry and mine, [or, the sea, lakes and rivers, *or*, the live stock or dead stock, *or*, the products thereof, *or* the goods, wares and merchandise, *or*, the grain, (*as the case may be*),] mentioned below are hereby assigned to the said Bank as security for the payment on or before the————————day of————————of the said advance, together with interest thereon at the rate of————per centum per annum from the————————day of———— [*or*, of the said bills or notes, or renewals thereof, or substitutions therefor, and interest thereon, *or as the case may be*].

This security is given under the provisions of section eighty-eight of the Bank Act, and is subject to the provisions of the said Act.

The said products of agriculture, the forest, quarry and mine, [*or*, the sea, lakes and rivers, *or*, the live stock or dead stock, or the products thereof, *or*, the goods, wares and merchandise, *or*, the grain, (*as the case may be*),] are now owned by————————, and are now in the possession of————————, and are free from any mortgage, lien or charge thereon (*or as the case may be*), and are in (*place or places where the goods are*), and are the following (*description of property assigned*).

Dated at————————

(*N.B.—The bills or notes and the property assigned may be set out in schedules annexed.*)

R.S., c. 12, Sch. C.

SCHEDULE D.

(Section 88 (9)).

In consideration of an advance of———————— dollars made by the————————Bank to A.B., for which the said bank holds the following bills or notes: (*describe the bills or notes, if any*) [*or*, in consideration of the discounting of the following bills or notes by the ————————Bank for A. B.: (*describe the bills or notes*)] and inasmuch as the said advance [*or* the said discounting, *as the case may be*] was made on the representation that seed grain would be purchased with the advance [*or* proceeds of the discounting, *as the case may be*] and would be sown upon land in the province of ————————situate and being———————— the seed grain purchased and the crop grown from the

grain so sown upon the land aforesaid and the grain threshed thereform are hereby assigned to the said Bank as security for the payment, on or before the———— day of ————, of the said advance, together with interest at the rate of————per centum per annum from the ————day of————[*or*, of the said bills or notes, or renewals thereof, or substitutions therefor, and interest thereon, *as the case may be*].

This security is given under the provisions of subsection eight of section eighty-eight of the Bank Act and is subject to the provisions of the said Act.

Dated at————.

R.S., c. 12, Sch. D.

SCHEDULE E.

(Section 88 (14)).

In consideration of an advance of————dollars, made by the————Bank to A. B., for which the said Bank holds the following bills or notes (*describe the bills or notes, if any*) [*or*, in consideration of the discounting of the following bills or notes by the ————Bank for A. B. (*describe the bills or notes*)], and, inasmuch as the said advance (*or* the said discounting, *as the case may be*) is made upon the security of the following live stock:

the said live stock are hereby assigned to the said Bank as security for the payment, on or before the———— day of————of the said advance together with interest at the rate of————per centum per annum from the————day of———— (*or*, of the said bills or notes or renewals thereof or substitutions therefor, and interest thereon, *as the case may be.*)

This security is given under the provisions of subsection twelve of section eighty-eight of the Bank Act, and is subject to the provisions of the said Act.

Dated at————.

R.S., c. 12, Sch. E.

SCHEDULE F.

(Section 88 (17)).

Notice of Intention.

To Whom it May Concern:

.....

(name of person, firm or company. P.O. address)

hereby gives notice that it is————intention to give security under the authority of section eighty-eight of the Bank Act, to the————Bank————.

Dated at————this————day of————.

.....

R.S., c. 12, Sch. F.

SCHEDULE G.

(Sections 112, 113).

Return of the liabilities and assets of the————Bank on the————day of————, 19—

Liabilities.

1. Notes in circulation.....$
2. Deposits by and balances due to Dominion Government.....
3. Deposits by and balances due to provincial governments.....
4. Advances under the *Finance Act*.....
5. Deposits by the public, payable on demand, in Canada.....
6. Deposits by the public, payable after notice or on a fixed day, in Canada.....
7. Deposits elsewhere than in Canada.....
8. Deposits by and balances due to other banks in Canada.....
9. Deposits by and balances due to banks and banking correspondents in the United Kingdom.....
10. Deposits by and balances due to banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
11. Loans from other banks in Canada, secured, including bills re-discounted.....
12. Bills payable.....
13. Letters of credit outstanding.....
14. Liabilities to the public not included under foregoing heads.....
15. Dividends declared and unpaid.....
16. Rest or Reserve Fund.....
17. Capital paid up.....

$

Assets.

1. Gold and coin.....{In Canada $ / Elsewhere
2. Dominion notes.....
3. Notes of other banks.....
4. United States and other foreign currencies..
5. Cheques on other banks.....

Schedule G. The existing Schedule reads as follows:—

"SCHEDULE G.

Return of the liabilities and assets of the————Bank on the————day of————, 19——

Liabilities.

1.	Notes in circulation	$
2.	Balance due to Dominion Government after deducting advances for credits, pay-lists, etc	
3.	Advances under the *Finance Act*	
4.	Balances due to provincial governments	
5.	Deposits by the public, payable on demand in Canada	
6.	Deposits by the public, payable after notice or on a fixed day, in Canada	
7.	Deposits elsewhere than in Canada	
8.	Loans from other banks in Canada, secured, including bills re-discounted	
9.	Deposits made by and balances due to other banks in Canada	
10.	Due to banks and banking correspondents in the United Kingdom	
11.	Due to banks and banking correspondents elsewhere than in Canada and the United Kingdom	
12.	Bills payable	
13.	Letters of credit outstanding	
14.	Liabilities not included under foregoing heads	
15.	Dividends declared and unpaid	
16.	Rest or Reserve Fund	
17.	Capital paid up	
		$

Assets.

1.	Current gold and subsidiary coin	In Canada $ / Elsewhere $	$
2.	Dominion notes	*In Canada* $ / *Elsewhere* $	$
3.	Notes of other banks		
4.	United States and other foreign currencies		
5.	Cheques on other banks		

6. Deposits with and balances due by other banks in Canada.....
7. Due by banks and banking correspondents in the United Kingdom.....
8. Due by banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
9. Loans to other banks in Canada, secured, including bills re-discounted.....
10. Dominion and provincial government direct and guaranteed securities (maturing within two years), not exceeding market value..
11. Other Dominion and provincial government direct and guaranteed securities, not exceeding market value.....
12. Canadian municipal securities, not exceeding market value.....
13. Public securities other than Canadian, not exceeding market value.....
14. Other bonds, debentures and stocks, not exceeding market value.....
15. Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....
16. Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....
17. Other current loans and discounts in Canada, estimated loss provided for.....
18. Other current loans and discounts elsewhere than in Canada, estimated loss provided for
19. Loans to the Government of Canada.....
20. Loans to provincial governments.....
21. Loans to cities, towns, municipalities and school districts.....
22. Non-current loans, estimated loss provided for.....
23. Real estate other than bank premises.....
24. Mortgages on real estate sold by the bank .
25. Bank premises, at not more than cost, less amounts (if any) written off.....
26. Liabilities of customers under letters of credit as per contra.....

6. Loans to other banks in Canada, secured, including bills re-discounted.....
7. Deposits made with and balances due *from* other banks in Canada.....
8. Due *from* banks and banking correspondents in the United Kingdom.....
9. Due *from* banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
10. Dominion government and provincial government securities.....
11. Canadian municipal securities, *and British, foreign and colonial* public securities other than Canadian.....
12. *Railway and* other bonds, debentures and stocks.....
13. Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities of a sufficient marketable value to cover.....
14. Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities of a sufficient marketable value to cover...
15. Other current loans and discounts in Canada.
16. Other current loans and discounts elsewhere than in Canada after making full provision for bad and doubtful debts.....
17. Loans to the Government of Canada.....
18. Loans to provincial governments.....
19. Loans to cities, towns, municipalities and school districts.....
20. Non-current loans, estimated loss provided for.....
21. Real estate other than bank premises.....
22. Mortgages on real estate sold by the bank.
23. Bank premises, at not more than cost, less amounts (if any) written off.....
24. Liabilities of customers under letters of credit as per contra.....
25. Deposit with the Minister of Finance for the security of note circulation.....
26. Deposit in the central gold reserves.....

27. Deposit with the Minister of Finance for the security of note circulation.....
28. Deposit in the central gold reserves.....
29. Shares of and loans to controlled companies
30. Other assets not included under the foregoing heads.....

$

Capital authorized.....$
Capital subscribed.....
Rate per annum of last dividend declared... per centum
Aggregate amount of loans to directors and firms of which they are partners, and loans for which they are guarantors, $————
Average amount of gold and coin held during the month, $————
Average amount of Dominion notes held during the month, $————
Greatest amount of notes of the bank in circulation at any time during the month, $————

Branch and Agency returns used in the preparation of the foregoing and antedating the last juridical day of the month aforesaid are as follows:—

27. Shares of and loans to controlled companies.
28. Other assets not included under the foregoing heads.....

$

Capital authorized.....$
Capital subscribed.....
Rate per cent of last dividend declared..... per cent
Aggregate amount of loans to directors and firms of which they are partners, and loans for which they are guarantors, $————
Average amount of current gold and subsidiary coin held during the month, $————
Average amount of Dominion notes held during the month, $————
Greatest amount of notes of the bank in circulation at any time during the month, $————

Branch and Agency returns used in the preparation of the foregoing and antedating the last juridical day of the month aforesaid are as follows:—"

Branch or Agency.	*Date of such return.*

I declare that the above return is correct according to the books of the bank.

E.F.,
Chief Accountant, (or Acting Chief Accountant, *as the case may be*).

We declare that the foregoing return is to the best of our knowledge and belief correct, and shows truly and clearly the financial position of the bank, as required by sections one hundred and twelve and one hundred and thirteen of the *Bank Act;* and we further declare that the Bank has never, at any time during the period to which the said return relates, held in Dominion notes less than forty per centum of the cash reserves which it has in Canada.

(Place).....this.....day of.....19...

A.B.,
President, (Vice-President, or Director acting as President, *as the case may be*).

C.D.,
General Manager, (or other principal officer, *as the case may be*).

R.S., c. 12, Sch. G, am.

SCHEDULE H.

(Section 60 (19)).

Return of the————————Bank————————showing the amount of its notes in circulation for each juridical day during the month of————————, 19—.

Day of the Month.	Paid-up Capital.	*Reserve Fund.	Deposit Gold Coin and Dominion Notes	Circulation.	Excess (if any).

**N.B.—Returns for the months of March to August, inclusive, need not have the Reserve Fund column.*

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E. F.,
Chief Accountant, (or Acting Chief Accountant, *as the case may be*)

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

(Place).....this.....day of.....19—

A. B.,
President, (Vice-President, *or* Director acting as President, *as the case may be*).

C. D.,
General Manager, (*or* other principal officer, *as the case may be*).

R.S., c. 12, Sch. H.

SCHEDULE I.

(Section 114 (5)).

Return of unpaid dividends, balances and amounts, certified cheques, drafts and bills of exchange of the——— Bank at the close of the calendar year 19—, made in accordance with the provisions of subsections one to five, inclusive, of section one hundred and fourteen of the Bank Act.

.....
.....
.....

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E. F.,
Chief Accountant, (*or* Acting Chief Accountant, *as the case may be*).

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

(Place).....this.....day of.....19..

A. B.,
President, (Vice-President, *or* Director acting as President, *as the case may be*).

C. D.,
General Manager, (*or* other principal officer, *as the case may be.*)

R.S., c. 12, Sch. I.

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 18.

An Act respecting Banks and Banking.

(Reprinted as Amended and Reported by the Select Standing Committee on Banking and Commerce.)

The MINISTER OF FINANCE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
80388 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 18.

An Act respecting Banks and Banking

(All new matter is underlined, and omissions are shown on the opposite page)

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE.

Short title.

1. This Act may be cited as *The Bank Act.* R.S., c. 12, s. 1.

INTERPRETATION.

Definitions.

2. In this Act, unless the context otherwise requires,

"Association."

(a) " Association " means The Canadian Bankers' Association, incorporated by chapter 93 of the statutes of 1900, intituled *An Act to incorporate The Canadian Bankers' Association;*

"Bank."

(b) " bank " means any bank to which this Act applies but does not refer to the Bank of Canada;

"Bill of lading."

(c) " bill of lading " includes all receipts for goods, wares or merchandise, accompanied by an undertaking to transport the same from the place where they were received to some other place, by any mode of carriage whatever;

"Circulation Fund."

(d) "Circulation Fund" means the fund heretofore established and continued by the authority of this Act under the name of the Bank Circulation Redemption Fund;

"Curator."

(e) "Curator" means any person appointed under the authority of this Act to supervise the affairs of any bank which has suspended payment in specie or Dominion notes or Bank of Canada notes of any of its liabilities as they accrue;

"Farmer."

(f) "farmer" includes the owner, occupier, landlord and tenant of a farm;

Explanatory Notes.

In this Reprint changes proposed by the Committee are indicated by italics where the amendment is brief, and by vertical lines at the side of new paragraphs or sections. Omissions are shown by explanatory notes on the opposite page.

(e) The words *"by the Canadian Bankers' Association"* are deleted by the Committee as the Minister is to appoint the curator under the amended provisions of section 117.

"Goods, wares and merchandise."

(g) "goods, wares and merchandise" includes, in addition to the things usually understood thereby, products of agriculture, products of the forest, products of the quarry and mine, products of the sea, lakes and rivers, and other articles of commerce;

"Grain."

(h) "grain" includes wheat, oats, barley, rye, corn, buckwheat and flax;

"Inspector."

(i) "Inspector" means the Inspector General of Banks appointed under section fifty-six of this Act;

"Manufacturer."

(j) "manufacturer" includes manufacturers of logs, timber or lumber, maltsters, distillers, brewers, refiners and producers of petroleum, tanners, curers, packers, canners of meat, pork, fish, fruit or vegetables, and any person who produces by hand, art, process or mechanical means any goods, wares or merchandise;

"Minister."

(k) "Minister" means the Minister of Finance and Receiver General;

"President."

(l) "president" does not include an honorary president;

"Products of agriculture."

(m) "products of agriculture" in addition to the direct products of the soil such as hay, grain, roots, vegetables, fruits and other crops, includes milk, cream, butter, cheese, honey, *maple products*, poultry (dead), and eggs, hides, skins and wool, and dried, canned and preserved vegetables and fruits, live stock or dead stock and the products thereof; and "live stock" for the purposes of this Act *includes* horses and mares, bulls, cows, oxen, bullocks, steers, heifers and calves, sheep and swine and the offspring of any of such animals;

"Products of the forest."

(n) "products of the forest" includes bark, logs, pulpwood, piling, spars, railway ties, poles, mining and all other timber, shingles, laths, deals, boards, staves and all other lumber, and the skins and furs of wild animals;

"Products of the quarry and mine."

(o) "products of the quarry and mine" includes stone, clay, sand, gravel, metals, metallic ores, coal, salt, precious stones, petroleum, crude oil, and all minerals, whether obtained by excavation or otherwise, and the products of any of them;

"Products of the sea, lakes and rivers."

(p) "products of the sea, lakes and rivers" includes, in addition to fish of all kinds, whether fresh, frozen, salted, dried, canned, preserved in oil or otherwise preserved, whales and seals, their oil, skins and bone, oysters, lobsters and other crustaceans, fresh and canned or otherwise preserved;

"Trustees."

"Trustee."

(q) "trustees" means the persons appointed by the Association and by the Minister to receive and hold the central gold reserves, and "trustee" means any one of the trustees, and if one or more of the trustees is a corporation then "trustee" includes each of the officers of such corporation who is responsible for any action taken by the corporation for the purposes of this Act;

(g) The words "petroleum and crude oil" are omitted inasmuch as the expression "products of the quarry and mine" is to be defined in a new paragraph of this section lettered *(o)*, as hereinafter set out, and the new definition will include the words "petroleum and crude oil".

(m) This definition has been enlarged to include "live stock" heretofore defined in section 88 (13).

The words "*maple products*" are inserted by the Committee after the word "honey" in the fourth line. The word "*includes*" replaces the word "*means*" in the eighth line.

(o) In the 1913 revision, section 2 defined "products of agriculture", "products of the forest" and "products of the sea, lakes and rivers", while no definition was made of "products of the quarry and mine". That omission is remedied by the new paragraph lettered *(o)*.

By this definition the products of petroleum and crude oil, the manufacture of which in recent years has become greatly extended in Canada and the products themselves increasingly important as articles of commerce, will be made eligible both for manufacturers and wholesalers as the basis for credits. At present, while petroleum and crude oil are the basis for advances to wholesale manufacturers, it is doubtful if the products of these articles—gasolene, crude oil, asphalt, wax, fuel oil, and other distillates—while in the possession of the manufacturing refiner, can be regarded as available for security under the provisions of the Act, because these products are not included in the definition of "goods, wares and merchandise", while other classes of products are expressly included.

In the case of wholesale purchasers or dealers, no advances can be made against either petroleum or crude oil or their products, owing to the inference to be drawn from the definition in 2 *(g)* that "petroleum and crude oil" are not "products of the quarry and mine" as they are mentioned specially in *(g)* apart from such products. The proposed amendment will make these articles available to the borrower as security for advances.

"Warehouse receipt."

(r) "warehouse receipt" includes

(i) any receipt given by any person for any goods, wares or merchandise in his actual, visible and continued possession as bailee thereof in good faith and not as of his own property, and

(ii) receipts given by any person who is the owner or keeper of a harbour, cove, pond, wharf, yard, warehouse, shed, storehouse or other place for the storage of goods, wares or merchandise, for goods, wares and merchandise delivered to him as bailee, and actually in the place or in one or more of the places owned or kept by him, whether such person is engaged in other business or not, and

(iii) receipts given by any person in charge of logs or timber in transit from timber limits or other lands to the place of destination of such logs or timber, and

(iv) Lake Shippers Clearance Association receipts and all documents recognized by *The Canada Grain Act* as warehouse receipts. R.S., c. 12, s. 2, am.

Public notice, how given.

3. (1) Where by this Act any public notice is required to be given the notice shall, unless otherwise specified, be given by advertisement

(a) in one or more newspapers published at the place where the chief office of the bank is situate; and

(b) in the *Canada Gazette*.

Sufficiency of publication.

(2) When by this Act a notice is required to be published in a newspaper for four weeks or any longer period, publication each week in a weekly newspaper, or once a week during the period in a newspaper published more frequently, shall be a sufficient publication for the purposes of this Act.

Notice of call.

(3) When by this Act notice of any call is required to be given to the shareholders the notice shall, unless otherwise specified, be sufficiently given by mailing the notice in the post office, registered and post paid, to the last known post office address of the respective shareholders as shown by the records of the bank, at least thirty days prior to the day on which the call is payable. R.S., c. 12, s. 3.

APPLICATION.

General.

To what banks this Act applies.

4. The provisions of this Act apply to the several banks enumerated in Schedule A to this Act, and to every bank incorporated after the first day of January, one thousand nine hundred and thirty-four, whether this Act is specially mentioned in its Act of incorporation or not, but not to any other bank except as hereinafter specially provided, nor to the Bank of Canada, except as hereinafter specially provided. R.S., c. 12, s. 4, am.

4. The underlining from "*any*" to "*provided*" inclusive, in lines 44 and 45 is deleted.

Bank charters continued to July 1st, 1944, as to some particulars.

5. (1) Each of the several banks under the name mentioned in Schedule A to this Act is, and shall continue to be, a body politic and corporate until the first day of July, one thousand nine hundred and forty-four, and this Act shall form and be the charter of each of the said banks until the first day of July aforesaid.

Chief office and capital.

(2) The chief office of each bank, and, subject to the provisions of this Act with regard to increase or decrease, the amount of its authorized capital stock, divided into shares of one hundred dollars each, shall be as set out in Schedule A to this Act.

As to other particulars.

(3) As to all other particulars this Act shall form and be the charter of each of the said banks until the first day of July, one thousand nine hundred and forty-four. R.S., c. 12, s. 5, am.

Forfeited or void charters not continued.

6. Nothing in the next preceding section shall be deemed to continue in force any charter or Act of incorporation, if, or in so far as it is, under the terms thereof, or under the terms of this Act or of any other Act passed or to be passed, forfeited or rendered void by reason of the non-performance of the conditions of such charter or Act of incorporation, or by reason of insolvency, or for any other reason. R.S., c. 12, s. 6.

Act continues to apply for purposes of winding-up.

7. (1) The provisions of this Act shall continue to apply to the banks named in Schedule A to chapter nine of the Acts of the year one thousand nine hundred and thirteen, intituled *An Act respecting Banks and Banking*, and not named in Schedule A to this Act, but only in so far as may be necessary to wind up the business of the said banks respectively.

(2) The charters or Acts of incorporation of the said banks, and any Acts in amendment thereof, or any Acts in relation to the said banks now in force, shall respectively continue in force for the purposes of winding up, and for such purposes only. R.S., c. 12, s. 7.

INCORPORATION AND ORGANIZATION OF BANKS

Particulars of Act of incorporation.

8. The capital stock of every bank, the name of the bank, the place where its chief office is to be situated, and the names of the provisional directors, shall be declared in the Act of incorporation of every such bank respectively. R.S., c. 12, s. 8.

Form thereof.

9. An Act of incorporation of a bank in the form set forth in Schedule B to this Act shall be construed to confer upon the bank thereby incorporated all the powers, privileges and immunities, and to subject it to all the liabilities and provisions set forth in this Act. R.S., c. 12, s. 9.

5. By chapter 23 of the Statutes of 1932-33, the charters of the Banks were continued in force until the first day of July, 1934.

7. This section remains the same as in the existing Act. The year "one thousand nine hundred and thirteen" is retained to provide for the completion of any winding-up that may be necessary in connection with the Sovereign Bank of Canada, the Bank of Vancouver and the Home Bank of Canada.

Capital stock and shares.

10. The capital stock of any bank shall not be less than five hundred thousand dollars, and shall be divided into shares of one hundred dollars each. R.S., c. 12, s. 10.

Provisional directors.

11. (1) The number of provisional directors shall be not less than five.

Qualification.

(2) A provisional director shall not be eligible to act as such unless he is a *bona fide* subscriber of stock of the bank for and on his own behalf, so as to become the absolute and sole owner in his individual right of such stock, and not as trustee or in the right of another, on which subscription not less than

(a) three thousand dollars have been paid up, when the paid-up capital stock of the bank is one million dollars or less;

(b) four thousand dollars have been paid up, when the paid-up capital stock of the bank is over one million dollars and does not exceed three million dollars;

(c) five thousand dollars have been paid up, when the paid-up capital stock of the bank exceeds three million dollars.

Tenure of office.

(3) The provisional directors shall hold office until directors are elected by the subscribers to the stock, as hereinafter provided. R.S., c. 12, s. 11.

Opening of stock books.

12. (1) For the purpose of organizing the bank, the provisional directors may, after giving ten days' public notice thereof, cause stock books to be opened, in which shall be recorded the subscriptions of such persons as desire to become shareholders in the bank.

Where.

(2) The stock books shall be opened at the place where the chief office of the bank is to be situated, and elsewhere in the discretion of the provisional directors.

Particulars entered.

(3) Each subscriber shall, at the time of subscription, give his post office address, and description, and these particulars shall appear in the stock books in connection with the name of the subscriber and the number of shares subscribed for.

Notice of double liability.

(4) There shall be printed in small pica type, or type of larger size, on each page in the stock books upon which subscriptions are recorded, and on every document constituting or authorizing a subscription, on a part of the page and document, respectively, which may be readily seen by the person recording the subscription, or by the person signing the document, a copy of section one hundred and twenty-five of this Act.

Time stock books open.

(5) The stock books may be kept open for such time as the provisional directors deem necessary.

Recovery of unpaid subscriptions.

(6) In case of the non-payment of any instalment or other sum payable by a subscriber on account of his subscription, the provisional directors may, in the corporate name of the bank, sue for, recover, collect and get in any such instalment or sum. R.S., c. 12, s. 12.

First meeting of subscribers.

13. (1) Whenever a sum not less than five hundred thousand dollars of the capital stock of the bank has been *bona fide* subscribed, and payments in money on account thereof have been made by the subscribers, the total of such payments making a sum not less than two hundred and fifty thousand dollars, and as soon thereafter as the provisional directors have paid thereout to the Minister the sum of two hundred and fifty thousand dollars, the provisional directors may, by public notice published for at least four weeks, and by notice with postage prepaid mailed to the last known address of each subscriber at least ten days prior to the date of such meeting, call a meeting of the subscribers to the said stock, to be held in the place named in the Act of incorporation as the chief office of the bank, at such time and at such place as is set forth in the said notice.

What is a *bona fide* subscription.

(2) For the purposes of the foregoing subsection no subscription shall be deemed to have been made *bona fide* or be complete unless and until payment in money equal to at least ten per centum of the amount subscribed has been made on account of such subscription by the subscriber, and such payment, with the date thereof, shall be entered on the stock books opposite to such subscription.

Business at meeting.

(3) The subscribers shall, at such meeting,

(a) determine the day upon which the annual general meeting of the bank is to be held;

(b) elect such number of directors, duly qualified under this Act, not less than five, as they think necessary, and

(c) provide for the method of filling vacancies in the board of directors until the annual general meeting.

Tenure of directors.

(4) Such directors shall hold office until the annual general meeting next succeeding their election.

Provisional directors cease.

(5) Upon the election of directors as aforesaid the functions of the provisional directors shall cease. R.S., c. 12, s. 13.

Permission to commence business.

14. (1) The bank shall not issue notes or commence the business of banking until it has obtained from the Treasury Board a certificate permitting it so to do.

No certificate until directors elected.

(2) No application for such certificate shall be made until directors have been elected by the subscribers to the stock in the manner hereinbefore required. R.S., c. 12, s. 14.

Statement of payments by provisional directors.

15. (1) At the time of the application for the certificate, there shall be submitted to the Treasury Board a sworn statement setting forth the several sums of money paid in connection with the incorporation and organization of the bank, and such statement shall, in addition, include a list of all the unpaid liabilities, if any, in connection with or arising out of such incorporation and organization.

To what limited.

(2) Prior to the time at which the certificate is given no payments on account of incorporation and organization expenses shall be made out of moneys paid in by subscribers

except reasonable sums for the payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any.

When certificate may be granted.

(3) No certificate shall be given by the Treasury Board until it has been shown to the satisfaction of the Board, by affidavit or otherwise, that all the requirements of this Act and of the special Act of incorporation of the bank, as to the subscriptions to the capital stock, the payment of money by subscribers on account of their subscriptions, the payment required to be made to the Minister, the election of directors, deposit for security of note issue, or other preliminaries, have been complied with, and that the sum so paid is then held by the Minister, and unless it appears to the Board that the expenses of incorporation and organization are reasonable.

Within one year.

(4) No such certificate shall be given except within one year from the passing of the Act of incorporation of the bank applying for the said certificate. R.S., c. 12, s. 15.

If certificate not granted, powers to cease.

16. (1) If the bank does not obtain a certificate from the Treasury Board within one year from the time of the passing of its Act of incorporation, all the rights, powers and privileges conferred on the bank by its Act of incorporation shall thereupon cease and determine, and be of no force or effect whatever.

Ordinary disbursements allowed, but other expenses subject to resolution.

(2) If stock books have been opened and subscriptions in whole or in part paid, but no certificate from the Treasury Board obtained within the time limited by the preceding subsection, no part of the money so paid, or accrued interest thereon, shall be disbursed for commissions, salaries, charges for services or for other purposes, except a reasonable amount for payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any, unless it is so provided by resolution of the subscribers at a meeting convened after notice, at which the greater part of the money so paid is represented by subscribers or by proxies of subscribers; and each subscriber shall be entitled at such a meeting to one vote for each ten dollars paid on account of his subscription.

Application to court to settle amount of disbursements.

(3) If the amount allowed by such resolution for commissions, salaries or charges for services be deemed insufficient by the provisional directors, or directors elected in the manner hereinbefore provided, as the case may be, or if no resolution for such purpose be passed after a meeting has been duly called, then the provisional directors, or directors elected as aforesaid, may apply to a judge of any superior or county court having jurisdiction where the chief office of the bank is fixed by its Act of incorporation, to settle and determine all charges and the reasonableness of the amount of the disbursements already made to which

such money and interest, if any, shall be subject, before distribution of the balance to the subscribers.

Notice of meeting and application to court, with statement.

(4) Notice of the meeting and notice of the application respectively referred to in the next preceding subsections shall be given by mailing the notice in the post office, registered and post paid, at least twenty-one days prior to the date fixed for such meeting or the hearing of such application, to the several subscribers to their respective post office addresses as contained in the stock books; and each of such notices shall contain a statement, in summary form, of the several amounts for commissions, salaries, charges for services and disbursements which it is proposed shall be provided by resolution for payment, or settled and determined by a judge, as the case may be.

Voting.

(5) Votes of subscribers may be given at such meeting by proxy, the holder of such proxy to be a subscriber, and subscribers may be heard either in person or by counsel on such application.

Ratio payable by subscribers.

(6) In order that the sums paid and payable under the provisions of this section may be equitably borne by the subscribers, the provisional directors or the directors, as the case may be, shall, after the amount of such sums is ascertained as herein provided, fix the proportionate part thereof chargeable to each subscriber at the ratio of the number of shares in respect of which he is a subscriber to the total number of shares *bona fide* subscribed.

Payment of excess.

(7) The respective amounts so fixed shall, before return to the subscriber of the sums paid in by him, be deducted therefrom, and if the respective sums paid in are not as much as the amounts so fixed, then the excess in each case shall be payable forthwith by the subscriber to the provisional directors or the directors, as the case may be.

Deductions.

(8) The total of the amounts in excess mentioned in the next preceding subsection which the provisional directors or the directors are unable to get in or collect in what seems to them a reasonable time shall, with any legal costs incurred, be deducted by them from the sums then remaining in their hands to the credit of the several subscribers in the ratio hereinbefore mentioned, the shares in respect of which no such collections have been made being eliminated from the basis of calculation.

Return of excess to subscribers.

(9) The provisional directors or directors, after payment by them of the sums payable under this section, shall return to the subscribers, with any interim interest accretions, the respective balances of the moneys paid in by the subscribers. R.S., c. 12, s. 16.

Deposit, how disposed of if certificate granted.

17. (1) Upon the issue of the certificate in manner hereinbefore provided, the Minister shall forthwith pay to the bank the amount of money so deposited with him as aforesaid, without interest, after deducting therefrom the sum of five thousand dollars required to be deposited under the

provisions of this Act for the securing of the notes issued by the bank.

If certificate not granted.

(2) In case no certificate is issued by the Treasury Board within the time limited for the issue thereof, the amount so deposited shall be returned to the bank for distribution in the manner provided by this Act.

Minister not bound.

(3) In no case shall the Minister be under any obligation to see to the proper application in any way of the amount so returned. R.S., c. 12, s. 17.

INTERNAL REGULATIONS.

Regulation by by-law.

18. (1) The shareholders of the bank may, at any annual general meeting or at any special general meeting duly called for the purpose, regulate, by by-law, the following matters incident to the management and administration of the affairs of the bank, that is to say:—

(a) the day upon which the annual general meeting of the shareholders for the election of directors shall be held;

(b) the record to be kept of proxies, and the time, not exceeding twenty days, within which proxies must be produced and recorded prior to a meeting in order to entitle the holder to vote thereon;

(c) the number of the directors, which shall be not less than five, and the quorum thereof, which shall be not less than three;

(d) the qualifications of directors, subject to the provisions hereinafter contained;

(e) the method of filling vacancies in the board of directors, whenever the same occur during each year;

(f) the time and proceedings for the election of directors in case of a failure of any election on the day appointed for it;

(g) the remuneration of the president, vice-president and other directors; and,

(h) subject to the provisions of this Act, the amount of discounts or loans which may be made to directors, either jointly or severally, or to any one firm or person, or to any shareholder, or to corporations.

Copy of by-laws to be sent to shareholders.

(2) A copy of the by-laws in force on the first day of July, one thousand nine hundred and thirty-eight, in respect of the several matters hereinbefore in this section set out, together with a copy of this section of the Act, shall, before the thirty-first day of December, one thousand nine hundred and thirty-eight, be sent to each shareholder at his last known post office address, as shown by the books of the bank; and after the first day of July, one thousand nine hundred and thirty-eight, within six months after the end of each successive five-year period, a copy of the

18. *(h)* See section 75 (2) *(f)* and 75 (3) for limiting provisions.

(2) The existing Act provided that copies of the bylaws in force be sent to each shareholder on or before December 31, 1923, and at the end of each successive five-year period, the result being that this section was last complied with in 1933. The wording of the subsection is to ensure a continuation of the practice already established.

by-laws, in respect of the said matters, hereinbefore in this section set out, in force at the end of each such period, shall be sent as aforesaid.

Guarantee and pension funds.

(3) The shareholders may authorize the directors to establish guarantee and pension funds for the officers and employees of the bank and their families, and to contribute thereto out of the funds of the bank, and such guarantee or pension fund, whether or not contributed in whole or in part out of the funds of the bank, shall be invested in securities in which a trustee may invest under the *Trust Companies Act*.

Existing by-laws continued.

(4) Until it is otherwise prescribed by by-law under this section, the by-laws of the bank on any matter which may be regulated by by-law under this section shall remain in force, except as to any provision fixing the qualification of directors at an amount less than that prescribed by this Act. R.S., c. 12, s. 18, am.

Exception.

Management.

19. The stock, property, affairs and concerns of the bank shall be managed by a board of directors. R.S., c. 12, s. 19.

Qualification of directors.

20. (1) Each director shall hold stock of the bank, of which stock he shall be the absolute and sole owner in his individual right and not as trustee or in the right of another, on which not less than

(a) three thousand dollars have been paid up, when the paid-up capital stock of the bank is one million dollars or less;

(b) four thousand dollars have been paid up, when the paid-up capital stock of the bank is over one million dollars and does not exceed three million dollars;

(c) five thousand dollars have been paid up, when the paid-up capital stock of the bank exceeds three million dollars.

Required stock holdings.

(2) No person shall be elected or continue to be a director unless he holds stock, of which he is the owner as aforesaid, paid up to the amount required by this Act, or such greater amount as is required by any by-law in that behalf.

Majority to be British subjects.

(3) A majority of the directors shall be natural born or naturalized subjects of His Majesty and domiciled in Canada. R.S., c. 12, s. 20.

Election of directors.

21. (1) The directors shall be elected by the shareholders at the annual general meeting and shall be eligible for re-election.

At chief office.

(2) The election shall take place at the place where the chief office of the bank is situate.

18. (4) The existing subsection (4) is omitted. It reads as follows:—

"4. Any conversion of investments rendered necessary by this provision shall be made within such time or times as the Minister may deem reasonable."

This subsection, which was enacted in 1923, has served its purpose.

Notice.

(3) Public notice of the annual general meeting shall be given by the directors by publishing such notice, for at least four weeks prior to the time of holding the said meeting, in a newspaper published at the place where the chief office of the bank is situate, and by mailing a copy of such notice to each shareholder at his last known post office address, as shown by the books of the bank, at least twenty days prior to the time aforesaid.

Who shall be directors.

(4) The persons, to the number authorized to be elected, who have the greatest number of votes at any election, shall be directors. R.S., c. 12, s. 21, am.

Provision in case of equality of votes.

22. If it happens at any election that two or more persons have an equal number of votes, and the election or non-election of one or more of such persons as a director or directors depends on such equality, then the directors who have a greater number of votes, or the majority of them, shall, in order to complete the full number of directors, determine which of the said persons so having an equal number of votes shall be a director or directors. R.S., c. 12, s. 22.

Election of president and vice-president.

23. (1) The directors, as soon as may be after their election, shall proceed to elect, by ballot, from their number a president and one or more vice-presidents.

Honorary president.

(2) The directors may also elect by ballot one of their number to be chairman of the board and one to be honorary president. R.S., c. 12, s. 23, am.

Vacancies how filled.

24. If a vacancy occurs in the board of directors the vacancy shall be filled in the manner provided by the by-laws: Provided that, if the vacancy is not filled, the acts of a quorum of the remaining directors shall not be thereby invalidated. R.S., c. 12, s. 24.

Proviso.

Vacancy in presidency or vice-presidency.

25. If a vacancy occurs in the office of the president or vice-president, the directors shall, from among themselves, elect a president or a vice-president, who shall continue in office for the remainder of the year. R.S., c. 12, s. 25.

Postponed election of directors.

26. (1) If an election of directors is not made on the day appointed for that purpose, such election may take place on any other day, according to the by-laws made by the shareholders in that behalf.

Continuance in office.

(2) The directors in office on the day appointed for the election of directors shall remain in office until a new election is made. R.S., c. 12, s. 26.

Meetings of directors.

27. (1) The chairman of the board, if any, or the president, or in their absence a vice-president, shall preside at all meetings of the directors.

21. (3) The word "prior" is substituted for the word "previously" in the third line of this subsection.

23. (2) A number of the banks have one of the directors elected to the post of chairman of the board. The amendment will give official recognition to that practice.

27. (1) and (2) These amendments are made in consequence of the amendment to subsection 2 of section 23.

Temporary chairman.

(2) If at any meeting of the directors the chairman of the board, if any, the president and vice-president are absent, one of the directors present, chosen to act *pro tempore*, shall preside.

Casting vote.

(3) The person so presiding shall vote as a director, and shall, if there is an equal division on any question, also have a casting vote.

Record of attendance of directors.

(4) A record shall be kept of the attendance at each meeting of directors, and a summary thereof prepared so as to show the total number of directors' meetings held and the number attended by each director shall be sent to each shareholder with the notice of the annual general meeting hereinbefore mentioned.

Services rendered by directors.

(5) Such summary may state the nature and extent of the services rendered by any director who, by reason of residing at a point remote from the chief office of the bank, has been unable to attend meetings of directors. R.S., c. 12, s. 27, am.

General powers of directors.

28. (1) The directors may make by-laws and regulations, not repugnant to the provisions of this Act, or to any by-law duly passed by the shareholders or to the laws of Canada, with respect to

(a) the management and disposition of the stock, property, affairs and concerns of the bank;

(b) the duties and conduct of the officers, clerks and servants employed therein; and

(c) all such other matters as appertain to the business of a bank.

Existing by-laws continued.

(2) All by-laws of the bank lawfully made and in force with regard to any matter respecting which the directors may make by-laws under this section, including any by-laws for the establishing of guarantee and pension funds for the employees of the bank, shall remain in force until they are repealed or altered by other by-laws made under this Act. R.S., c. 12, s. 28.

Appointment of officers.

Directors may authorize officer to make appointments.

29. (1) The directors may appoint as many officers, clerks and servants as they may consider necessary for carrying on the business of the bank, and may authorize any officer of the bank to make such of these appointments as they may deem expedient.

Salaries.

(2) Such officers, clerks and servants may be paid such salaries and allowances as the directors or such officer, in the case of appointments made by him, consider necessary.

Security.

(3) The directors before permitting any general manager, manager, or other officer, clerk or servant of the bank to enter upon the duties of his office, and any officer, authorized as aforesaid, before permitting any officer, clerk or servant of the bank appointed by him to enter upon the duties of his office, shall require him to give a bond, guarantee or other security to the satisfaction of the directors or such

officer as the case may be, for the due and faithful performance of his duties. R.S., c. 12, s. 29.

Special general meeting.

30. (1) A special general meeting of the shareholders of the bank may be called at any time by

(a) the directors of the bank or any four of them; or

(b) any number not less than twenty-five of the shareholders, acting by themselves or by their proxies, who are together owners of at least one-tenth of the paid-up capital stock of the bank.

Notice.

(2) Such directors or shareholders shall give six weeks' previous public notice, specifying therein the object of such meeting.

Place.

(3) Such meeting shall be held at the usual place of meeting of the shareholders.

Removal of president, vice-president or director.

(4) If the object of the special general meeting is to consider the removal, for maladministration or other specified and apparently just cause, of the president or a vice-president, or of a director of the bank, and if a majority of the votes of the shareholders at the meeting is given for such removal, a director to replace him shall be elected or appointed in the manner provided by the by-laws of the bank, or, if there are no by-laws providing therefor, by the shareholders at the meeting.

Another to replace.

Choosing another president or vice-president.

(5) If it is the president or a vice-president who is removed, his office shall be filled by the directors in the manner provided in case of a vacancy occurring in the office of president or vice-president. R.S., c. 12, s. 30.

One vote for each share.

31. (1) Every shareholder shall, on all occasions on which the votes of the shareholders are taken, have one vote for each share held by him for at least thirty days before the time of meeting.

Ballot.

(2) In all cases when the votes of the shareholders are taken, the voting shall be by ballot.

Majority to determine.

(3) All questions proposed for the consideration of the shareholders shall be determined by a majority of the votes of the shareholders present or represented by proxy.

Casting vote.

(4) The chairman elected to preside at any meeting of the shareholders shall vote as a shareholder only, unless there is a tie, in which case he shall, except as to the election of a director, have a casting vote.

As to joint holders of shares.

(5) If two or more persons are joint holders of shares, any one of the joint holders may be empowered, by letter of attorney from the other joint holder or holders, or a majority of them, to represent the said shares, and to vote accordingly.

Proxies.

(6) Shareholders may vote by proxy, but no person other than a shareholder eligible to vote shall be permitted to vote or act as proxy.

Officers not to vote.

(7) No general manager, manager, clerk or other subordinate officer of the bank shall vote either in person or by proxy, or hold a proxy for the purpose of voting.

Renewal of proxies.

(8) No appointment of a proxy to vote at any meeting of the shareholders of the bank shall be valid for that purpose unless it has been made or renewed in writing within one year last preceding the time of such meeting.

Calls must be paid before voting.

(9) No shareholder shall vote, either in person or by proxy, on any question proposed for the consideration of the shareholders of the bank at any meeting of the shareholders, or in any case in which the votes of the shareholders of the bank are taken, unless he has paid all calls made by the directors which are then due and payable. R.S., c. 12, s. 31.

CAPITAL STOCK.

Increase of capital.

32. (1) The capital stock of the bank may be increased, from time to time, by such percentage, or by such amount, as is determined upon by by-law passed by the shareholders at the annual general meeting, or at any special general meeting called for the purpose.

Approval of Treasury Board.

(2) No such by-law shall come into operation, or be of any force or effect, unless and until a certificate approving thereof has been issued by the Treasury Board.

Conditions for approval.

(3) No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of the by-law, nor unless it appears to the satisfaction of the Treasury Board that a copy of the by-law, together with notice of intention to apply for the certificate, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the chief office of the bank is situate.

Treasury Board may refuse.

(4) Nothing herein contained shall be construed to prevent the Treasury Board from refusing to issue such certificate if it thinks best so to do. R.S., c. 12, s. 32.

Allotment.

To present shareholders.

33. (1) Any of the original unsubscribed capital stock, or of the increased stock of the bank, shall, at such time as the directors determine, be allotted to the then shareholders of the bank *pro rata*, at such price, not less than par, and on such terms as are fixed by the directors: Provided that—

(a) no fraction of a share shall be so allotted;

(b) in no case shall a rate be fixed by the directors, which will make the premium, if any, paid or payable on the stock so allotted, exceed the percentage which the rest or reserve fund of the bank then bears to the paid-up capital stock thereof;

(c) payment shall not be required in greater amounts or at shorther intervals than ten per centum of the price every thirty days; and

(d) the price of such stock shall be paid in money.

Notice of allotment.

(2) Notice of allottment shall be mailed to the shareholders at their last known post office address as shown by the record of the bank, and the directors shall in such notice fix a date not less than ninety days from the day on which the notice is mailed within which the allottment is to be accepted.

Offer to the public.

(3) Any of such allotted stock which is not accepted by a shareholder to whom the allotment has been made, within the time so fixed, or which he declines to accept, together with such shares as remain unallotted because of the provisions of this section that no fraction of a share can be allotted, may be offered for subscription to the public in such manner and on such terms as the directors prescribe.

Distribution of fractions.

(4) Any sums received in excess of the rate per share fixed by the directors under this section in respect of fractions of shares offered for subscription to the public shall be rateably distributed to the respective shareholders from whose shares the fractions arose. R.S., c. 12, s. 33.

Reduction of capital.

34. (1) The capital stock of the bank may be reduced by by-law passed by the shareholders at the annual general meeting, or at a special general meeting called for the purpose.

Approval Treasury Board.

(2) No such by-law shall come into operation or be of force or effect until a certificate approving thereof has been issued by the Treasury Board.

Conditions for approval.

(3) No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of the by-law, nor unless it appears to the satisfaction of the Board that

(a) the shareholders voting for the by-law represent a majority in value of all the shares then issued by the bank; and

(b) a copy of the by-law, together with notice of intention to apply to the Treasury Board for the issue of a certificate approving thereof, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the chief office of the bank is situate.

Statements to be submitted to Treasury Board.

(4) In addition to evidence of the passing of the by-law, and of the publication thereof in the manner in this section provided, statements showing

(a) the amount of stock issued;

(b) the number of shareholders represented at the meeting at which the by-law passed;

(c) the amount of stock held by each such shareholder;

(d) the number of shareholders who voted for the by-law;

(e) the amount of stock held by each of such last mentioned shareholders;

(f) the assets and liabilities of the bank in full; and

(g) the reasons and causes why the reduction is sought

shall be laid before the Treasury Board at the time of the application for the issue of a certificate approving the by-law.

Treasury Board may refuse.

(5) Nothing herein contained shall be construed to prevent the Treasury Board from refusing to issue the certificate if it thinks best so to do.

Not to affect liability of shareholders.

(6) The passing of the by-law, and any reduction of the capital stock of the bank thereunder, shall not in any way diminish or interfere with the liability of the shareholders of the bank to the creditors thereof at the time of the issue of the certificate approving the by-law.

If legislation is asked to sanction reduction.

(7) If in any case legislation is sought to sanction any reduction of the capital stock of any bank, a copy of the by-law or resolution passed by the shareholders in regard thereto, together with statements similar to those by this section required to be laid before the Treasury Board, shall, at least one month prior to the introduction into Parliament of the bill relating to such reduction, be filed with the Minister.

Limit of reduction.

(8) The capital shall not be reduced below the amount of two hundred and fifty thousand dollars of paid-up stock. R.S., c. 12, s. 34.

SHARES AND CALLS.

Shares personalty.

35. (1) The shares of the capital stock of the bank shall be personal property.

Books of subscription.

(2) For the purpose of disposing of stock which may be offered for subscription to the public under section thirty-three of this Act, stock books may be opened at the chief office of the bank, or at such of its branches, or elsewhere, as the directors prescribe.

Particulars entered.

(3) Each subscriber shall, at the time of subscription, give his post office address, and description, and these particulars shall appear in the stock books in connection with the name of the subscriber and the number of shares subscribed for. R.S., c. 12, s. 35.

Notice of double liability.

36. There shall be printed in small pica type, or type of larger size, on each page in the stock books upon which subscriptions are recorded and on every document constituting or authorizing a subscription, on a part of the page and document respectively, which may be readily seen

by the person recording the subscription, or by the person signing the document, a copy of section one hundred and twenty-five of this Act. R.S., c. 12, s. 36.

Calls on shares.

37. (1) The directors may make such calls of money from the several shareholders for the time being, upon the shares subscribed for by them respectively, as they find necessary.

Number of.

(2) Any number of calls may be made by one resolution.

Intervals for calls.

(3) Such calls shall be payable at intervals of not less than thirty days.

Notice.

(4) Notice of such calls shall be given to the shareholders.

Limitation.

(5) No such call shall exceed ten per centum of each share subscribed. R.S., c. 12, s. 37.

Capital lost to be called for.

38. (1) If any part of the paid-up capital is lost the directors shall, if all the subscribed stock is not paid up, forthwith make calls upon the shareholders to an amount equivalent to the loss: Provided that all net profits shall be applied to make good such loss.

Returns to Minister.

(2) Any such loss of capital and the calls, if any, made in respect thereof, shall be mentioned in the next return made by the bank to the Minister. R.S., c. 12, s. 38.

Recovery of calls and instalments.

39. In case of the non-payment of any call, or instalment under an accepted allotment, the directors may, in the corporate name of the bank, sue for, recover, collect and get in any such call or instalment, or may cause and declare the shares in respect of which any such default is made to be forfeited to the bank. R.S., c. 12, s. 39.

Forfeiture.

Fine for failure to pay call.

40. (1) If any shareholder refuses or neglects to pay any instalment or call upon his shares of the capital stock at the time appointed therefor, such shareholder shall incur a penalty, to the use of the bank, of a sum of money equal to ten per centum of the amount of such shares.

Sale of forfeited shares at public auction.

(2) If the directors declare any shares to be forfeited to the bank they shall, within six months thereafter, without any previous formality other than public notice published for at least four weeks, of their intention so to do, sell at public auction the said shares, or so many of the said shares as shall, after deducting the reasonable expenses of the sale, yield a sum of money sufficient to pay the unpaid instalments or calls due on the remainder of the said shares, and the amount of penalties incurred upon the whole.

Transfer, how executed.

(3) The president, a vice-president, or the general manager of the bank shall execute the transfer to the purchaser of the shares so sold; and such transfer shall be as valid and effectual in law as if it had been executed by the original holder of the shares thereby transferred.

Remission of forfeiture or penalty.

(4) The directors, or the shareholders at a general meeting may, notwithstanding anything in this section contained, remit, either in whole or in part, and conditionally or unconditionally, any forfeiture or penalty incurred by the non-payment of instalments or calls as aforesaid. R.S., c. 12, s. 40.

Recovery by action.

41. (1) In any action brought to recover any money due on any instalment or call, it shall not be necessary to set forth the special matter in the declaration or statement of

Allegations.

claim, but it shall be sufficient to allege that the defendant is the holder of one share or more, as the case may be, in the capital stock of the bank, and that he is indebted to the bank for instalments or calls upon such share or shares, in the sum to which the instalments or calls amount, as the case may be, stating the amount and number of the instalments or calls.

Proof.

(2) It shall not be necessary, in any such action, to prove the appointment of the directors. R.S., c. 12, s. 41.

TRANSFER AND TRANSMISSION OF SHARES.

Conditions for transfer of shares.

42. (1) No transfer of the shares of the capital stock of the bank shall be valid unless

(a) made, registered and accepted by the person to whom the transfer is made, or by his attorney appointed in writing, in a book or books kept for that purpose; and

(b) the person making the transfer has, if required by the bank, previously discharged all his debts or liabilities to the bank which exceed in amount the remaining stock, if any, belonging to such person, valued at the then current rate.

Entries in books.

(2) The post office address and description of the transferee shall be entered in such book.

Fraction of share not transferable.

(3) No fractional part of a share, or less than a whole share shall be transferable.

Share register office to be opened in each province.

(4) The bank may open and maintain in any province in Canada in which it has resident shareholders and in which it has one or more branches or agencies, a share-registry office, to be designated by the directors, at which the shares of the shareholders, resident within the province, shall be registered and at which, and not elsewhere, except as hereinafter provided, such shares may be validly transferred.

Register and transfer of shares.

(5) Shares of persons who are not resident in Canada or in any province in which there is a branch or agency of the bank may be registered and shall be transferable at the chief office of the bank or elsewhere, as the directors may designate.

When change of residence.

(6) Whenever there is a change in the ownership of shares, and the new shareholder resides in a province other than that in which the former shareholder resided, and whenever there is a change in the residence of a shareholder from one province to another, or whenever a shareholder residing outside of Canada becomes a resident of a province in Canada, the registration of the shares shall be changed to the registry of the province in which the shareholder has his residence, if there is a branch or agency of the bank in that province and if a share-registry has been opened in that province, and the shares of such shareholder shall thereafter be transferable at such registry and not elsewhere, except as herein provided.

Residence defined.

(7) For the purposes of this section, a shareholder shall be deemed to be resident in the province in which he has according to the books of the bank, his post office address.

Agents.

(8) The directors shall appoint such agents for the purposes of this section as they deem necessary. R.S., c. 12, s. 42.

List of transfers.

43. (1) A list of all transfers of shares registered each day in the books of the bank at the respective places where transfers are authorized, showing in each case the parties to such transfers and the number of shares transferred, shall be made up at the end of each day.

For inspection.

(2) Such lists shall be kept at the said respective places for the inspection of the shareholders. R.S., c. 12, s. 43.

Requirements for valid transfer.

44. (1) All sales or transfers of shares, and all contracts and agreements in respect thereof, hereafter made or purporting to be made, shall be null and void, unless the person making the sale or transfer, or the person in whose name or behalf the sale or transfer is made, at the time of the sale or transfer,

(a) is the registered owner in the books of the bank of the share or shares so sold or transferred, or intended or purporting to be sold or transferred; or

(b) has the registered owner's assent to the sale.

Contract to state number.

(2) The distinguishing number or numbers, if any, of such share or shares shall be designated in the contract or agreement of sale or transfer.

Purchaser's rights preserved.

(3) Notwithstanding anything in this section contained, the rights and remedies under any contract of sale which does not comply with the conditions and requirements in this section mentioned, of any purchaser who has no knowledge of such non-compliance, are hereby saved. R.S., c. 12, s. 44.

Sale of shares under execution.

45. (1) When any share of the capital stock has been sold under a writ of execution, the officer by whom the writ was executed shall, within thirty days after the sale, leave

with the bank an attested copy of the writ, with the certificate of such officer endorsed thereon, certifying to whom the sale has been made.

Transfer, how executed.

(2) The president, a vice-president or the general manager of the bank shall execute the transfer of the share so sold to the purchaser, but not until after all debts and liabilities to the bank of the holder of the share, and all liens in favour of the bank existing thereon, have been discharged as by this Act provided.

Validity.

(3) Such transfer shall be to all intents and purposes as valid and effectual in law as if it had been executed by the holder of the said share. R.S., c. 12, s. 45.

Transmission of shares.

46. (1) If the interest in any share in the capital stock of any bank is transmitted by or in consequence of

(a) the death, lunacy, bankruptcy, or insolvency of any shareholder; or

(b) the marriage of a female shareholder; or

(c) any lawful means, other than a transfer according to the provisions of this Act,

How authenticated.

the transmission shall be authenticated by a declaration in writing, as hereinafter mentioned, or in such other manner as the directors of the bank require.

Declaration.

(2) Every such declaration shall distinctly state the manner in which and the person to whom the share has been transmitted, and shall give his post office address and description, and such person shall make and sign the declaration.

Acknowledgment.

(3) The person making and signing the declaration shall acknowledge the same before a judge of a court of record, or before the mayor, provost or chief magistrate of a city, town, borough or other place, or before a notary public, or a commissioner for taking affidavits, where the said declaration is made and signed.

To be left with bank.

(4) Every declaration so signed and acknowledged shall be left with the general manager, or other officer or agent of the bank, who shall thereupon enter the name of the person entitled under the transmission in the register of shareholders.

Exercise of rights as shareholder.

(5) Until the transmission has been so authenticated, no person claiming by virtue thereof shall be entitled to participate in the profits of the bank, or to vote in respect of any such share of the capital stock. R.S., c. 12, s. 46, am.

Transmission by marriage of female shareholders. Declaration.

47. (1) If the transmission of any share of the capital stock has taken place by virtue of the marriage of a female shareholder, the declaration shall be accompanied by a copy of the register of such marriage, or other particulars of the celebration thereof, and shall declare the identity of the wife, with the holder of such share, and

46. (3) The words underlined replace the word "same."

shall be made and signed by such female shareholder and her husband.

If separate property of wife.

(2) The declaration may include a statement to the effect that the share transmitted is the separate property and under the sole control of the wife, and that she may, without requiring the consent or authority of her husband, receive and grant receipts for the dividends and profits accruing in respect thereof, and dispose of and transfer the share itself.

Revocation.

(3) The declaration shall be binding upon the bank and persons making the same, until the said persons see fit to revoke it by a written notice to the bank to that effect.

Omission re to invalidate.

(4) The omission of a statement in any such declaration that the wife making the declaration is duly authorized by her husband to make the same shall not invalidate the declaration. R.S., c. 12, s. 47.

Authentication of declaration and papers in certain cases.

48. (1) Every such declaration and instrument as are by the last two preceding sections required to perfect the transmission of a share in the bank shall, if made in any country other than Canada, the United Kingdom or a British Dominion or colony,

(a) be further authenticated by the clerk of a court of record under the seal of the court, or by the British consul or vice-consul, or other accredited representative of His Majesty's Government in the country where the declaration or instrument is made; or

(b) be made directly before such British consul, vice-consul or other accredited representative.

Further evidence.

(2) The directors, general manager or other officer or agent of the bank may require corroborative evidence of any fact alleged in any such declaration. R.S., c. 12, s. 48, am.

Transmission by will or intestacy.

49. (1) If the transmission has taken place by virtue of any testamentary instrument, or by intestacy, the probate of the will, or the letters of administration, or act of curatorship or tutorship, or an official extract therefrom, shall, together with the declaration, be produced and left with the general manager or other officer or agent of the bank.

Entry.

(2) The general manager or other officer or agent shall thereupon enter in the register of shareholders the name of the person entitled under the transmission. R.S., c. 12, s. 49.

Transmission by decease.

50. Notwithstanding anything in this Act, if the transmission of any share of the capital stock has taken place by virtue of the decease of any shareholder, the production to the directors and the deposit with them of

(a) any authenticated copy of the probate of the will of the deceased shareholder, or of letters of administration of his estate, or of letters of verification of

heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, Northern Ireland, or any British Dominion or colony, or of any testament-testamentar or testament-dative expede in Scotland;

(b) an authentic notarial copy of the will of the deceased shareholder, if such will is in notarial form according to the law of the province of Quebec; or

(c) if the deceased shareholder died outside of His Majesty's dominions, any authenticated copy of the probate of his will or letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters;

shall be sufficient justification and authority to the directors for paying any dividend, or for transferring or authorizing the transfer of any share, in pursuance of and in conformity to the probate, letters of administration, or other such document as aforesaid. R.S., c. 12, s. 50, am.

SHARES SUBJECT TO TRUSTS.

Bank not bound to see to trusts.

51. (1) The bank shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any share of its stock is subject.

Receipt.

(2) The receipt of the person in whose name any such share stands in the books of the bank, or, if it stands in the names of more persons than one, the receipt of one of such persons shall be a sufficient discharge to the bank for any dividend or any other sum of money payable in respect of such share, unless, previously to such payment, express notice to the contrary has been given to the bank.

Bank not bound.

(3) The bank shall not be bound to see to the application of the money paid upon such receipt whether given by one of such persons or all of them. R.S., c. 12, s. 51.

Executor or trustee not personally liable.

52. (1) No person holding stock in the bank as executor, administrator, guardian, trustee, tutor or curator

(a) of or for any estate, trust or person named in the books of the bank as being represented by him; or

(b) if the will or other instrument under or by virtue of which the stock is so held be named in the books of the bank in connection with such holding,

shall be personally subject to any liability as a shareholder; but the estate and funds in his hands shall be liable in like manner and to the same extent as the testator, intestate, ward or person interested in such estate and funds would be, if living and competent to hold the stock in his own name.

50. *(a)* "Testament-testamentar", etc.,—this is the correct phrasing suggested by Scottish solicitors.

Cestui que trust liable.

(2) If the trust is for a living person or corporation, such person or corporation shall also be liable as a shareholder to the extent of his or its respective interest in the shares.

Executor or trustee liable if trust not named.

(3) If the estate, trust or person so represented, or will or other instrument, is not named in the books of the bank, the executor, administrator, guardian, trustee, tutor or curator shall be personally liable in respect of the stock as if he held it in his own name as owner thereof. R.S., c. 12, s. 52.

ANNUAL AND SPECIAL STATEMENTS.

Statement to be laid before annual general meeting.

53. (1) At every annual general meeting of the shareholders, the outgoing directors shall submit a full and clear statement of the affairs of the bank, exhibiting, on the one part, the liabilities of the bank, and, on the other part, the assets and resources thereof, and the statement shall be signed by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the statement is signed, and shall be signed on behalf of the board by the president or a vice-president or any other two directors, neither of whom shall be an officer of the bank.

Liabilities.

(2) The statement shall, without restricting the generality of the requirements of the next preceding subsection, include and show, on the one part, *the amount of the*

(a) capital paid up,
(b) rest or reserve fund,
(c) dividends declared and unpaid,
(d) balance of profits, as per profit and loss account referred to in subsection eight of this section,
(e) notes in circulation,
(f) deposits by and balances due to Dominion Government,
(g) deposits by and balances due to provincial governments,
(h) advances under the *Finance Act*,
(i) deposits by the public not bearing interest,
(j) deposits by the public bearing interest, including interest accrued to date of statement,
(k) deposits by and balances due to other banks in Canada,
(l) deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries,
(m) bills payable,
(n) letters of credit outstanding,
(o) liabilities to the public not included under the foregoing heads.

53. Subsections one and two at present read as follows:—

ANNUAL AND SPECIAL STATEMENTS.

"**53.** At every annual general meeting of the shareholders, the outgoing directors shall submit a clear and full statement of the affairs of the bank, exhibiting, on the one part, the liabilities of the bank, and, on the other part, the assets and resources thereof, and the statement shall be signed by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the statement is signed, and shall be signed on behalf of the board by the president or a vice-president or any other two directors, neither of whom shall be an officer of the bank.

2. The statement shall, without restricting the generality of the requirements of the next preceding subsection, include and show, on the one part, the amount of the

(a) capital stock paid in,
(b) rest or reserve fund,
(c) dividends declared and unpaid,
(d) balance of profits, as per profit and loss account referred to in subsection seven of this section,
(e) notes of the bank in circulation,
(f) deposits not bearing interest,
(g) deposits bearing interests, including interest accrued to date of statement,
(h) advances under the Finance Act,
(i) balances due to other banks in Canada,
(j) balances due to banks and banking correspondents in the United Kingdom and foreign countries,
(k) bills payable,
(l) letters of credit outstanding,
(m) liabilities not included in the foregoing."

Assets.

(3) The statement shall include and show, on the other part, *the amount of*

(a) Gold and coin,
(b) Dominion notes,
(c) notes of other banks,
(d) United States and other foreign currencies,
(e) cheques on other banks,
(f) due by other banks in Canada,
(g) due by banks and banking correspondents elsewhere than in Canada,
(h) Dominion and provincial government securities, direct and guaranteed (maturing within two years), not exceeding market value,
(i) other Dominion and provincial government direct and guaranteed securities, not exceeding market value,
(j) Canadian municipal securities, not exceeding market value,
(k) public securities other than Canadian, not exceeding market value,
(l) other bonds, debentures and stocks, not exceeding market value,
(m) call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover,
(n) call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover,
(o) other current loans and discounts in Canada, less rebate of interest, estimated loss provided for,
(p) other current loans and discounts elsewhere than in Canada, less rebate of interest, estimated loss provided for,
(q) non-current loans, estimated loss provided for,
(r) liabilities of customers under letters of credit as per contra,
(s) real estate other than bank premises,
(t) mortgages on real estate sold by the bank,
(u) bank premises, at not more than cost, less amounts, if any, written off,
(v) deposit with the Minister of Finance for the security of note circulation,
(w) deposit in the central gold reserves,
(x) shares of and loans to controlled companies,
(y) other assets not included under the foregoing heads.

Power to amend.

(4) The Governor in Council shall have power from time to time to make such amendments and additions to the items required to be set forth in the said statement *as he may deem expedient.*

53. (3) The present subsection reads as follows:—

"3. The statement shall include and show, on the other part, the amount of

(a) current coin held by the bank,
(b) Dominion notes held,
(c) notes of other banks,
(d) United States and other foreign currencies,
(e) cheques on other banks,
(f) balances due by other banks in Canada,
(g) balances due by banks and banking correspondents elsewhere than in Canada,
(h) Dominion and provincial government securities, not exceeding market value,
(i) Canadian municipal securities, and British, foreign and colonial public securities other than Canadian, not exceeding market value,
(j) railway and other bonds, debentures and stocks, not exceeding market value,
(k) call and short, not exceeding thirty day, loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover,
(l) call and short, not exceeding thirty day, loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover,
(m) other current loans and discounts in Canada, less rebate of interest, *after making full provision for all bad and doubtful debts,*
(n) other current loans and discounts elsewhere than in Canada, less rebate of interest, *after making full provision for all bad and doubtful debts,*
(o) liabilities of customers under letters of credit as per contra,
(p) real estate other than bank premises,
(q) non-current loans, estimated loss provided for,
(r) bank premises, at not more than cost, less amounts, if any, written off,
(s) deposit with the Minister for the purposes of the Circulation Fund,
(t) deposit in the central gold reserves,
(u) other assets not included in the foregoing."

The changes in the form of the annual statement are made generally to afford a clearer appreciation of the position of the bank. An endeavour has also been made to bring the statement as far as possible into conformity with the monthly statements set out in Schedule H.

Statement controlled corporation.

(5) Whenever a bank carries on any part of its operations in the name of a corporation controlled by such bank, then there shall accompany the statement, a further statement showing the assets and liabilities of each such corporation, and the value placed upon the bank's interest in the corporation.

Auditors.

(6) The auditors of the bank shall, for any purposes within the purview of this Act, be deemed auditors of such controlled corporation, and the shareholders of the bank at every annual general meeting shall appoint such person to act as proxy for the bank at any and all meetings of such controlled corporation as they may see fit.

Other particulars.

(7) Any other or further particulars than those called for by subsections two and three of this section, which, in the opinion of the directors, are necessary to a full and clear statement of the affairs of the bank shall also be included and shown in such statement.

Profit and loss account.

(8) A profit and loss account for the financial year of the bank next preceding the date of the annual general meeting shall accompany the statement and be attached thereto, and shall be signed on behalf of the board by the same persons as are required by this section to sign the statement referred to.

Copies of statement to be sent to shareholders and Minister.

(9) A copy of the statement and of the profit and loss account, together with a copy of the minutes of the annual general meeting, shall be sent within four weeks thereafter to each shareholder at his last known post office address, as shown by the books of the bank, and concurrently therewith a certified copy of each of these shall be sent to the Minister. R.S., c. 12, s. 53, am.

Classification of bank employees.

(10) As a part of the bank's annual statement, there shall be filed with the Minister, under the following classifications:—

1. Managers;
2. Assistant Managers;
3. Accountants;
4. Assistant Accountants;
5. Tellers;
6. Ledger Keepers;
7. Women Clerks and Stenographers;
8. Juniors and other Clerks,

the following information in regard to employees within Canada:—

(a) The number in each classification, with maximum, minimum and average salary and other compensation for each class;

(b) The maximum, minimum and average age of employees under each classification;

(c) Age or salary restrictions upon marriage of employees; and

(d) Percentage of employees' salaries contributed to Pension Fund, if any, and the contributions made to such Fund by the bank.

Further statements as required by by-law.

54. (1) The directors shall also submit to the shareholders such further statements of the affairs of the bank as the shareholders require by by-law passed at the annual general meeting, or at any special general meeting of the shareholders called for the purpose.

When to be submitted.

(2) The statements so required shall be submitted at the annual general meeting, or at any special general meeting called for the purpose, or at such time and in such manner as is set forth in the by-law of the shareholders requiring such statements. R.S., c. 12, s. 54.

SHAREHOLDERS' AUDIT

Who qualified to audit.

55. (1) The affairs of the bank shall be audited by two persons, residing in Canada, each one of whom shall be an accountant who has for at least six years preceding the date of his appointment, as hereinafter provided, practised his profession in Canada, and who shall also be a member in good standing of an institute or association of accountants incorporated under the authority of the legislature of any province of Canada.

Lists to be furnished to Minister and Association.

(2) A list or lists shall be furnished to the Minister and also to the Association by each such incorporated institute or association of accountants on or before the thirtieth day of June in each year, of all members of their corporation in good standing whose names are entitled to be included therein as determined by the provisions of the last preceding subsection, together with their addresses and the names of the firms, if any, of which they are members, and such list or lists shall be certified under their corporate seals respectively.

The Minister may select auditors.

(3) The Minister may, not later than the thirtieth day of September next following, select from such list or lists the persons, any one of whom shall be eligible to be appointed an auditor of a bank under this section, and if the Minister does not make a selection as herein provided all the persons on the list or lists so furnished shall be eligible for appointment as auditors of a bank.

Publication of list.

(4) The Minister shall, as soon thereafter in each year as may be convenient, cause to be inserted in two successive issues of the *Canada Gazette* a public notice containing the names and other particulars of persons so selected, or if no selection has been made, then the names and other particulars of the persons included in such list or lists as furnished, and the persons included in such published notice shall be deemed qualified for appointment as auditors of a bank.

Appointment of auditors.

(5) The shareholders shall at each annual general meeting appoint two persons, not members of the same firm, whose names are included in the last published list, to audit the affairs of the bank, but if the same two persons, or members respectively of the same two firms have been appointed for two years in succession to audit the affairs of any one bank, one such person or any member of one such firm shall not be again appointed to audit the affairs of such bank during the period of two years next following the term for which he was last appointed.

Vacancy.

(6) If any vacancy should occur in the office of auditor of a bank, notice thereof shall forthwith be given by the bank to the Minister, who shall thereupon appoint some other person included in the published list for the year to serve for the unexpired term of the person previously appointed.

Remuneration of auditors.

(7) The remuneration of auditors shall be fixed by the shareholders at the time of their appointment, and in the event of any vacancy and the appointment of another auditor under the next preceding subsection, the remuneration so fixed shall be divided between them in such manner as the directors shall consider just and reasonable.

Powers and rights of auditors.

(8) Every auditor of a bank shall have a right of access to the books and accounts, cash, securities, documents and vouchers of the bank, and shall be entitled to require and receive from the directors and officers of the bank such information and explanation as may be necessary for the performance of the duties of the auditors.

Procedure and scope of audit.

(9) The Minister may from time to time require that the auditors of a bank shall report to him upon the adequacy of the procedure adopted by the bank for the safety of its creditors and shareholders, and as to the sufficiency of their own procedure in auditing the affairs of the bank; and the Minister may at his discretion enlarge or extend the scope of the audit, or direct that any other or particular examination be made or procedure established in the particular case as the public interest may seem to require.

Duty with respect to directors.

(10) It shall be the duty of the auditors to report individually or jointly as to them may seem fit to the general manager and to the directors in writing any transactions or conditions affecting the well being of the bank which are not satisfactory to them, and which in their opinion require rectification, and without restricting the generality of this requirement they shall report specifically to the general manager and to the directors from time to time upon any loans exceeding one per cent of the paid-up capital of the bank which in their judgment are inadequately secured, but this provision shall not be construed to relieve any director from the due and proper discharge of the duties of a director.

(11) The report shall be transmitted or delivered by the auditors to the general manager at his office and to each director at his last known post office address and the said report shall be incorporated in the minutes of the directors' meeting first following the receipt of the said report.

Report of Auditors.

(12) The auditors shall make a report to the shareholders on the statement of the affairs of the bank to be submitted by the directors to the shareholders under section fifty-three of this Act during their tenure of office.

(13) The report shall state

(a) whether or not they have obtained all the information and explanations they have required;

(b) whether, in their opinion, the transactions of the bank which have come under their notice have been within the powers of the bank;

(c) whether, in their opinion, the statement referred to in the report discloses the true condition of the bank; and

(d) whether the statement is as shown by the books of the bank.

Attached to annual statement and read.

(14) The auditors' report shall be attached to the statement submitted by the directors to the shareholders under section fifty-three of this Act, and the report shall be read before the shareholders in the annual general meeting.

Audit and report on further statements.

(15) Any further statement of the affairs of the bank submitted by the directors to the shareholders under section fifty-four of this Act shall be subject to audit and report, and the report of the auditors thereon shall state

(a) whether or not they have obtained the information and explanations they have required; and

(b) whether, in their opinion, such further statement discloses to the extent thereof the true condition of the bank.

Attached to statement and read.

(16) The auditors' report shall be attached to the further statement referred to in the next preceding subsection, and shall be read before the shareholders at the meeting to which such further statement is submitted, and a copy of the statement and report shall be mailed to every shareholder at his last known address.

Copies.

Auditor not to undertake other employment for bank.

(17) A person appointed under this section to audit the affairs of a bank shall not during the term for which such person is appointed accept any retainer or undertake any employment on behalf of such bank other than that of auditor hereunder; provided nothing herein contained shall prevent such person from being retained or employed to inquire into or deal with any situation arising out of or connected with the financial position or affairs of any borrower from or customer of the bank or from performing such other services with respect to such borrower or customer as the directors of the bank, in any of the foregoing

Proviso.

(17) Subsection 17 at present reads as follows:—

"(17) A person appointed under this section to audit the affairs of a bank shall not, during the term for which such person is appointed, either by himself, or by the firm of which he is a member, or by any other member of such firm, accept any retainer or undertake any employment on behalf of or at the instance of such bank or any officer thereof, whether at the expense of the bank or not, other than that of auditor hereunder; and failure to comply with the provisions of this subsection shall be an offence against this Act."

circumstances, may by resolution declare to be necessary or expedient for the protection or benefit of the bank; and failure to comply with the provisions of this subsection shall be an offence against this Act.

Offence.

Director or officer not eligible.

(18) No person shall be appointed an auditor of a bank if such person or any member of his firm is a director or officer of such bank.

Auditors' reports to be sent to the Minister.

(19) A copy of all reports made by the auditors of a bank to the general manager and to the directors under this section shall be transmitted or delivered to the Minister by the auditors at the same time as such reports are transmitted or delivered to the general manager and directors. 1924, c. 7, s. 1; R.S., c. 12, s. 55, am.

INSPECTION.

Inspector General of Banks to be appointed.

56. (1) The Governor in Council on the recommendation of the Minister shall appoint a person who in his opinion has had proper training and experience who shall be charged with the performance of the duties hereinafter mentioned; and such person shall be designated "Inspector General of Banks," hereinafter called the Inspector.

Temporary inspector.

(2) The Minister may direct some other competent person to perform temporarily the duties of the Inspector should the Inspector, by reason of illness or other contingency, be unable to perform such duties.

Tenure of office. Removal.

(3) The Inspector shall hold office during good behaviour, but may be removed from office by the Governor in Council for misbehaviour or incapacity, inability, or failure to perform his duties properly.

Reasons for removal.

(4) If the Inspector is removed from office for any such reasons the Order in Council providing for such removal and documents relating thereto shall be laid before Parliament within the first fifteen days of the next ensuing session.

To receive no other compensation.

(5) The Inspector while holding office shall not perform any service for compensation other than the service rendered by him under the provisions of this section.

Officials and clerical assistants.

(6) The Minister may appoint or employ on the recommendation of the Deputy Minister of Finance and the Inspector, such persons with training and experience and such clerical assistants as may be deemed necessary to carry out and give effect to the provisions of this section.

Salary.

(7) Persons so appointed or employed shall receive such salary or remuneration as may be fixed by the Minister.

Examination and inquiry into affairs of banks.

(8) The Inspector, from time to time, but not less frequently than once in each calendar year, shall make or cause to be made, such examination and inquiry into the affairs or business of each bank as he may deem to be necessary or expedient, and for such purposes take charge

on the premises of the assets of the bank or any portion thereof, if the need should arise, for the purpose of satisfying himself that the provisions of this Act having reference to the safety of the creditors and shareholders of each such bank are being duly observed and that the bank is in a sound financial condition, and at the conclusion of each such examination and inquiry shall report thereon to the Minister.

Report.

Access to books and accounts, etc., of banks.

(9) The Inspector, or person acting under his direction, shall have a right of access to the books and accounts, documents, vouchers and securities of the bank, and shall be entitled to require and receive from the directors, officers and auditors of the bank such information and explanation as he may deem necessary for the performance of his duties.

Powers of commissioner under Inquiries Act.

(10) The Inspector shall have all the powers conferred upon a commissioner appointed under the *Inquiries Act* for the purpose of obtaining evidence under oath, and may delegate such powers as occasion may require, and any person who refuses to give such evidence or to produce any book or document material thereto when required so to do shall be guilty of an offence against this Act.

Reports on banks found to be insolvent.

(11) Whenever the Inspector is satisfied that a bank is insolvent he shall report fully on the bank's condition to the Minister, and the Minister may, without waiting for the bank to suspend payment, in specie or Dominion or Bank of Canada notes, of any of its liabilities as they accrue, request the Association or the president of the Association to appoint a curator to supervise the affairs of such bank, and such request shall have the same effect as if the bank had suspended payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrued, and a curator shall forthwith be appointed as hereinafter provided.

Salary.

(12) The Inspector shall be paid a salary fixed by the Governor in Council on the recommendation of the Minister.

Salaries and expenses paid out of Consolidated Revenue Fund and recouped by assessment on banks.

(13) Provided an appropriation therefor has been made by Parliament, all salaries, remuneration and other expenses incidental to giving effect to this section shall be paid out of the Consolidated Revenue Fund, and the Consolidated Revenue Fund shall be recouped after the end of each calendar year for such outlay by an assessment upon the banks based upon the average total assets of the banks, respectively, during the year, as shown by the monthly returns made by the banks to the Minister under section one hundred and twelve of this Act, and such assessment shall be paid by the banks.

Officials to be officers of Finance Department.

(14) All persons appointed under this section shall be officers of the Department of Finance, but the provisions of the *Civil Service Act* shall not apply to such persons.

No liability to depositor, creditor, or shareholder for damages, payment or compensation, under this section.

(15) His Majesty shall not incur any liability whatever to any depositor, creditor or shareholder of any bank, or to any other person, for any damages, payment, compensation or indemnity which he may suffer or claim by reason of this section or anything therein contained, or by reason of anything done or omitted to be done under the requirements thereof, or by reason of anything omitted to be done which is hereby required to be done, or by reason of any order or direction of the Governor in Council or of the Minister in the execution or administration of the powers or any of them by this section conferred, or by reason of any failure or omission on the part of the Governor in Council or of the Minister or of the Inspector or of any officer or employee of His Majesty to execute or discharge any power, authority, or duty thereunder, or otherwise by reason of any default, negligence, mistake, error or omission in the administration or discharge of the powers or duties which in any circumstances are by this section intended or authorized to be executed or performed; and no such payment, damages, compensation or indemnity, nor any claim therefor, shall in any case be authorized, paid or entertained by His Majesty. R.S., c. 12, s. 56, am.

DIVIDENDS.

Quarterly or half-yearly dividends.

57. (1) The directors of the bank may, subject to the provisions of this Act, declare quarterly or half-yearly dividends of so much of the profits of the bank as to the majority of them seems advisable.

Notice.

(2) The directors shall give public notice, published for at least four weeks, of the payment of such dividends previously to the date fixed for such payment.

Where payable.

(3) Dividends shall, on and after the date fixed for payment, be payable at the chief office of the bank and at such of its branches and at such other places as the directors prescribe.

Books closed.

(4) The directors may close the transfer books during a certain time, not exceeding fifteen days, before the payment of each dividend.

Liability of bank.

(5) The liability of any bank under any law, custom or agreement to pay dividends heretofore or hereafter declared and payable on its capital stock shall continue notwithstanding any statute of limitations or any enactment or law relating to prescription. R.S., c. 12, s. 57. am.

No prescription.

Dividend not to impair capital.

58. (1) No dividend or bonus shall be declared as so to impair the paid-up capital of the bank.

Directors liable for such dividend.

(2) The directors who knowingly and wilfully concur in the declaration or making payable of any dividend or bonus, whereby the paid-up capital of the bank is im-

57. (1) The present subsection reads as follows:—

"**57.** The directors of the bank *shall*, subject to the provisions of this Act, declare quarterly or half-yearly dividends of so much of the profits of the bank as to the majority of them seems advisable."

58. Subsections 3 and 4 appear in the present Act as subsections 1 and 2 respectively of section 59. Their wording has not been changed.

paired, shall be jointly and severally liable for the amount of such dividend or bonus, as a debt due by them to the bank.

Dividend limited unless there is a certain reserve.

(3) No division of profits, either by way of dividends or bonus, or both combined, or in any other way, exceeding the rate of eight per centum per annum, shall be made by the bank, unless, after making the same, the bank has a rest or reserve fund, equal to at least thirty per centum of its paid-up capital after providing all the appropriations necessary for ascertained and estimated losses.

Personal liability of directors.

(4) The directors who knowingly and wilfully concur in any division of profits exceeding the rate of eight per centum per annum, unless after making the same the bank has a rest or reserve fund equal to at least thirty per centum of its paid-up capital after making the appropriations necessary to provide for losses, shall be jointly and severally liable for the amount so divided, as a debt due by them to the bank. R.S., c. 12, ss. 58 and 59.

CASH RESERVES.

Cash reserves in Dominion notes.

59. (1) The bank shall hold in Dominion notes not less than forty per centum of the cash reserves which it has in Canada.

Supply of Dominion notes.

(2) The Minister shall make such arrangements as are necessary for ensuring the delivery of Dominion notes to any bank in exchange for an equivalent amount of gold coin lawfully current at the several branch offices of the Department of Finance established for the redemption of Dominion notes under the provisions of the *Dominion Notes Act*.

Redemption.

(3) Such notes shall be redeemable at any of the branch offices mentioned in subsection two hereof.

Limited operation of section.

(4) The next three preceding subsections of this section shall be repealed on and from the date on which the Bank of Canada is authorized to commence business, and on and after that date the bank shall maintain deposits with the Bank of Canada which shall, *subject to the provisions of the Bank of Canada Act, be not less than* five per centum of its deposit liabilities within Canada; and the bank shall also maintain with the Bank of Canada or elsewhere adequate reserves against liabilities elsewhere than in Canada, and furnish such information as may be required by the Minister from time to time to satisfy him that such reserves against external liabilities are so maintained. R.S., c. 12, s. 60, am.

59. This section, apart from subsection 4, is section 60 of the present Act.

59. (4) This subsection is consequent upon the proposed legislation for a central bank.

The Committee substitute the words "subject to the provisions of the Bank of Canada Act, be not less than" for the words "always be equal to" in the fifth line of this subsection.

ISSUE AND CIRCULATION OF NOTES.

Issue of notes.

60. (1) The bank may issue and re-issue its notes payable to bearer on demand and intended for circulation: Provided that

Proviso.

(a) the bank shall not, during any period of suspension of payment of its liabilities, issue or reissue any of its notes; and

(b) if, after any such suspension, the bank resumes business without the consent in writing of the curator, hereinafter provided for, it shall not issue or reissue any of its notes until authorized by the Treasury Board so to do.

$5, or multiples.

(2) No such note shall be for a sum less than five dollars, or for any sum which is not a multiple of five dollars.

Amount limited.

(3) Except as hereinafter provided, the total amount of the notes of a bank in circulation at any time shall not exceed the aggregate of

(a) the amount of the unimpaired paid up capital of the bank; and

(b) the amount of current gold coin and of Dominion notes held for the bank in the central gold reserves hereinafter mentioned.

Appointment of trustees.

(4) The Association may, with the approval of the Minister, appoint three trustees and the Minister may appoint a fourth trustee, and the trustees so appointed shall receive such amounts in current gold coin and Dominion notes, or either, as any bank may desire from time to time to deposit with them; and such amounts so deposited are herein referred to as "central gold reserves" and shall be held and dealt with in accordance with the provisions of this Act.

"Central gold reserves." By-laws respecting.

(5) The Association may make by-laws, rules and regulations under section one hundred and twenty-four of this Act respecting the custody and management of the central gold reserves and the carrying out of the provisions of this Act relating to such reserves.

Excess of notes over paid-up capital.

(6) When and so long as the amount of the notes of a bank in circulation in excess of its unimpaired paid-up capital is less then the amount deposited by it in the central gold reserves, the excess of the amount so deposited shall belong to the bank as its property, and the bank may apply to the trustees for a return of the excess last mentioned, and upon receiving from the bank a statement signed by the chief accountant and by the general manager or other principal officer next in authority in the management of the affairs of the bank at the time the statement is signed, and otherwise in the form provided by said by-laws, rules or regulations, setting forth to the best of the information and belief of these officers the amount of the notes of the bank in circulation on the date of such statement,

60. This appears in the present Act as section 61. See notes opposite proposed new section 61.

the trustees shall return the whole or part of the deposit of the bank, as the case may be.

(7) On and from the date when such statement is transmitted by registered post or delivered to the trustees, the amount applied for shall, for the purpose of the statement to be made by the trustees to the Minister under subsection nine of this section, and for the purpose of calculating the total amount of the authorized note circulation of the bank, be deemed to have been withdrawn from the central gold reserves and shall not be taken into account in such statement nor included in such calculation.

Exception.

(8) Should the total amount of the notes of the bank in circulation be found, by reason of such withdrawal, to be in excess of the circulation of the bank authorized by this Act the bank shall not be deemed to be released or relieved from any of the penalties imposed by this Act for circulation of the notes of a bank in excess of the amount authorized by this Act.

Statement to be sent to Minister

(9) The trustees shall prepare and transmit by registered post or deliver to the Minister within the first twenty days of each month a statement signed by them showing the amount on each juridical day of the preceding month of the deposit of each bank in the central gold reserves and not withdrawn or deemed to be withdrawn under the provisions of this section.

Inspection and audit of gold coin and notes.

(10) The Minister shall, from time to time, and not less frequently than twice in each year, cause an inspection and audit of the gold coin and Dominion notes held by the trustees to be made by officers of the Department of Finance.

Particulars of inspection.

(11) It shall be the duty of such officers

(a) to inspect and ascertain the amount of the gold coin and Dominion notes held by the trustees for the respective banks at the date of inspection; and

(b) to ascertain from the books and accounts, documents and vouchers of the trustees the amounts of gold coin and Dominion notes held by the trustees for the respective banks at any preceding date named by the Minister.

Powers of inspecting officer.

(12) Every such officer shall have a right of access to the gold coin and Dominion notes held and to the books and accounts, documents and vouchers of the trustees, and shall be entitled to require from the trustees such information and explanation as may be necessary for the performance of his duties.

When bank insolvent.

(13) Should the bank become insolvent within the meaning of this Act, the amount held for it in the central gold reserves shall be paid by the trustees to the liquidator or other person entitled by law to collect and receive the assets of the bank and shall be applied in redeeming the notes of such bank in circulation or in making the payment

to the Minister required by section one hundred and sixteen of this Act and for no other purpose.

Vacancy in office of trustee.

(14) When a vacancy in the office of a trustee appointed by the Association occurs, by resignation, death or other cause, a trustee to fill the vacancy shall, subject to the approval of the Minister, be appointed by the Association; and when a vacancy occurs in the office of a trustee appointed by the Minister, the trustee to fill the vacancy shall be appointed by the Minister.

Remuneration of trustees.

(15) The remuneration of trustees, including that of the trustee appointed by the Minister, and all charges and expenses incidental to the establishment and maintenance of the central gold reserves, shall be borne by the Association as the Association may, by by-law, rule or regulation determine.

Additional issue during moving of crops.

(16) During the usual season of moving the crops, that is to say, from and including the first day of September in any year to and including the last day of February next ensuing, in addition to the said amount of notes hereinbefore authorized to be issued for circulation, the bank may issue its notes to an amount not exceeding fifteen per centum of the combined unimpaired paid-up capital and rest or reserve fund of the bank as stated in the statutory monthly return made by the bank to the Minister for the month immediately preceding that in which the additional amount is issued.

Notice of additional issue.

(17) Whenever, under the authority of the next preceding subsection, the issue of an additional amount of notes of the bank has been made, the general manager, or other principal officer next in authority in the management of the affairs of the bank for the time being, shall forthwith give notice thereof by registered letter addressed to the Minister and to the president of the Association,

Interest on additional issue.

(18) While its notes in circulation are in excess of the aggregate referred to in subsection three of this section, the bank shall pay interest to the Minister at such rate, not exceeding five per centum per annum, as is fixed by the Governor in Council, on the amount of its notes in circulation in excess from day to day; and the interest so paid shall form part of the Consolidated Revenue Fund.

Return by bank.

(19) A return shall be made and sent by the bank to the Minister showing the amount of its notes in circulation for each juridical day during any month.

Time and form of return.

(20) Such return shall be made up and sent within the first twenty-eight days after the last day of the month next preceding and shall be accompanied by declarations which shall be a part of the return and the return and such declaration shall be in the form set forth in Schedule I to this Act, and shall be signed by the chief accountant, and by the president or a vice-president or the director then acting

Signatures thereto.

(19) The present subsection reads as follows:—

"19. A return shall be made and sent by the bank to the Minister showing the amount of its notes in circulation for each juridical day during any month *in which any amount of notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding.*"

The words in italics are omitted.

(20) The present subsection gives thirty days in which to make the return.

as president, and by the general manager or other principal officer next in authority in the management of the affairs of the bank at the time at which the declaration is signed: Provided, however, that the Governor in Council shall have power from time to time to make such amendments and additions to the items required to be set forth in the said Schedule *as he may deem expedient.*

Repeal of sub-secs., 3-18 sec. 60.

61. (1) Subsections three to eighteen, both inclusive, of the next preceding section shall be repealed on and from the day on which the Bank of Canada is authorized to commence business.

Maximum circulation.

(2) Notwithstanding anything contained in the next preceding section, on and after the day on which the Bank of Canada is authorized to commence business, the maximum amount of notes of a bank in circulation at any time shall not exceed the amount of the unimpaired paid-up capital of the bank on the said day on which the Bank of Canada is authorized to commence business, and on the first day of January in each year for a period of five years commencing on the first day of January nineteen hundred and thirty-six the said maximum shall be reduced by five per centum, and on the first day of January in each year for a period of five years commencing on the first day of January nineteen hundred and forty-one the said maximum shall be reduced by ten per centum and thereafter until Parliament further enacts, the amount of notes of a bank in circulation shall not exceed twenty-five per centum of the amount of the unimpaired paid-up capital of the bank.

Effect of reduction or impairment of capital.

In the event of any reduction or impairment of the paid-up capital, the maximum amount of notes of the bank which may be in circulation shall be reduced to the amount which would have been authorized if the reduction or impairment aforesaid had occurred on the day on which the Bank of Canada was authorized to commence business.

Circulation elsewhere than in Canada.

(3) The next preceding subsection shall not operate to limit the authority of the bank to issue notes under the provisions of the next succeeding section of this Act, provided that the total amount of the notes which may be in circulation in Canada and elsewhere shall not in any circumstances exceed the amount of the unimpaired paid-up capital of the bank.

61. This proposed section contains new limitations under which notes of the chartered banks may be issued after the Bank of Canada is authorized to commence business.

Bank commencing business, to be subject to this section.

(4) In the case of a bank authorized to commence business after the day on which this section comes into force, the said bank shall be subject to the provisions of this section as if it had been authorized to commence business on the day on which this section comes into operation.

Note issue at agency in British possessions other than Canada.

62. (1) Notwithstanding the provisions of the two next preceding sections any bank may issue and reissue outside of Canada at any branch, agency or office of the bank in any British colony or possession, notes of the bank payable to bearer on demand and intended for circulation in such colony or possession, for the sum of one pound sterling each, or for any multiple of such sum, or for the sum of five dollars each, or for any multiple of such sum of the dollars in commercial use in such colony or possession, if the issue or reissue of such notes is not forbidden by the laws of such colony or possession.

Governor in Council to fix rate for circulation.

(2) No issue of notes of the denomination of five such dollars, or any multiple thereof, shall be made in any such British colony or possession unless and until the Governor in Council, on the report of the Treasury Board, determines the rate, in Canadian currency, at which such notes shall be circulated as forming part of the total amount of the notes in circulation within the meaning of the two next preceding sections.

Redemption.

(3) The notes so issued shall be redeemable at par at any branch, agency or office of the bank in the colony or possession in which they are issued for circulation, and not elsewhere, except as in this section specially provided; and the place of redemption of such notes shall be legibly printed or stamped across the face of each note so issued.

Redemption if agency is closed.

(4) In the event of the bank ceasing to have a branch or agency or office in any such British colony or possession, all notes issued in such colony or possession under the provisions of this section shall become payable and redeemable at the rate of four dollars and eighty-six and two-thirds cents per pound sterling, or, in the case of the issue of notes of the denomination of five dollars, or any multiple thereof, of the dollars in commercial use in such colony or possession, at the rate established by the Govnor in Council as required by this section, in the same manner as notes of the bank issued in Canada are payable and redeemable.

Total amount of circulation

(5) The amount of the notes at any time in circulation in any such colony or possession, issued under the provisions of this section, shall, at the rate mentioned in the last preceding subsection, form part of the total amount of the notes in circulation within the meaning of the two next preceding sections, and, except as herein otherwise specially provided, shall be subject to all the provisions of this Act.

62. (1) The present subsection reads as follows:—

"**62.** Notwithstanding the provisions of the last preceding section any bank may issue and reissue, at any branch, agency or office of the bank in any British colony or possession *other than Canada,* notes of the bank payable to bearer on demand and intended for circulation in such colony or possession, for the sum of one pound sterling each, or for any multiple of such sum, or for the sum of five dollars each, or for any multiple of such sum of the dollars in commercial use in such colony or possession, if the issue or reissue of such notes is not forbidden by the laws of such colony or possession."

No reissue in Canada.

(6) No notes issued for circulation in any such British colony or possession shall be reissued in Canada.

Section limited.

(7) Nothing in this section shall be construed to authorize any bank

(a) to increase the total amount of its notes in circulation in Canada and elsewhere beyond the limit fixed by the two next preceding sections; or

(b) to issue or reissue in Canada notes payable to bearer on demand, and intended for circulation, for a sum less than five dollars, or for a sum which is not a multiple of five dollars. R.S., c. 12, s. 62, am.

Pledge of notes prohibited.

63. The bank shall not pledge, assign, or hypothecate its notes; and no advance or loan made on the security of the notes of a bank shall be recoverable from the bank or its assets. R.S., c. 12, s. 63.

Bank circulation redemption fund continued.

64. (1) The moneys heretofore paid to and now deposited with the Minister by the banks to which this Act applies, constituting the fund known as the Bank Circulation Redemption Fund, shall continue to be held by the Minister for the purposes and subject to the provisions in this section mentioned and contained.

$5,000 to be retained upon issue of certificate.

(2) The Minister shall, upon the issue of a certificate under this Act authorizing a bank to issue notes and commence the business of banking, retain, out of any moneys of such bank then in his possession, the sum of five thousand dollars, which sum shall be held for the purposes of this section, until the annual adjustment hereinafter provided for takes place in the year then next following.

Adjustment.

(3) The amount at the credit of such bank shall, at such next annual adjustment, be adjusted by payment to or by the bank of such sum as is necessary to make the amount of money at the credit of the bank equal to five per centum of the average amount of its notes in circulation from the time it commenced business to the time of such adjustment and such sum shall thereafter be adjusted annually as hereinafter provided.

Five per cent of average circulation.

Circulation Fund.

(4) The amounts heretofore and from time to time hereafter paid, to be retained and held by the Minister as by this section provided, shall continue to form and shall form the Circulation Fund.

Its purposes.

(5) The Circulation Fund shall continue to be held as heretofore for the sole purpose of payment, in the event of the suspension by a bank of payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, of the notes then issued or reissued by such bank, intended for circulation, and then in circulation, and interest thereon.

62. (6) The present subsection reads as follows:—

"6. No notes issued for circulation in a British colony or possession *other than Canada* shall be reissued in Canada."

Adjustment annually.

(6) The Circulation Fund shall be adjusted, as soon as possible after the thirtieth day of June in each year, in such way as to make the amount at the credit of each bank contributing thereto, unless herein otherwise specially provided, equal to five per centum of the average note circulation of such bank during the then last preceding twelve months. *Such Fund shall bear interest at the rate of three per centum per annum.*

Average note circulation, how determined.

(7) The average note circulation of a bank during any period shall be determined from the average of the amount of its notes in circulation, as shown by the monthly returns for such period made by the bank to the Minister; and where, in any return the greatest amount of notes in circulation at any time during the month is given, such amount shall, for the purposes of this section, be taken to be the amount of the notes of the bank in circulation during the month to which such return relates: Provided, however, that in determining the average note circulation of a bank under this subsection the daily average for each month of the amount of the bank's deposit, if any, in the central gold reserves which has not been withdrawn or deemed to be withdrawn within the meaning of this Act shall be deducted from the greatest amount of the notes of the bank in circulation at any time during the month.

Proviso.

Rights of Minister.

(8) The Minister shall, with respect to all notes paid out of the Circulation Fund, have the same rights as any other holder of notes of the bank: Provided that all such notes, and all interest thereon, so paid by the Minister, after the amount at the credit of such bank in the Circulation Fund *and all interest due or accruing due thereon* has been exhausted, shall bear interest, at the rate of three per centum per annum, from the time such notes and interest are paid until such notes and interest are repaid to the Minister by or out of the assets of such bank. 1923, c. 32, s. 64; R.S., c. 12, s. 64, am.

Proviso.

Notes of bank suspending payment to bear interest.

65. (1) In the event of the suspension by a bank of payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, the notes of the bank issued or reissued intended for circulation and then in circulation shall bear interest at the rate of five per centum per annum, from the day of the suspension to such day as is named by the directors, or by the liquidator, receiver, assignee or other proper official, for the payment thereof.

Notice of time for payment.

(2) Notice of such day shall be given by advertisement in at least three consecutive issues of a daily newspaper, published in the place in which the chief office of the bank is situate, and if there is no daily newspaper published there, then by advertisement in two consecutive issues of any weekly newspaper published in that place.

(6) The Committee have added the words in italics at the end of subsection (6).

(8) The words "and all interest due or accruing due thereon" after the words "Circulation Fund" in the proviso have been restored in this subsection by the Committee.

As to notes not then presented.

(3) If any notes presented for payment on or after any day named for payment thereof are not paid, all notes then unpaid and in circulation shall continue to bear interest until such further day is named for payment thereof, of which day notice shall be given in manner hereinbefore provided.

Notes not redeemed to be paid out of Circulation Fund.

(4) If the directors of the bank or the liquidator, receiver, assignee or other proper official fails to make arrangements within two months from the day of the suspension of payment by the bank, for the payment of all of its notes and interest thereon, the Minister may make arrangements for the payment out of the Circulation Fund, of the notes remaining unpaid and all interest thereon, and the Minister shall give such notice of the payment as he thinks expedient.

Interest to cease.

(5) Notwithstanding anything herein, all interest upon such notes shall cease upon and from the date named by the Minister for such payment.

Government not liable.

(6) Nothing herein shall be construed to impose any liability upon His Majesty or upon the Minister, beyond the amount available from time to time out of the Circulation Fund. R.S., c. 12, s. 65, am.

Payment from fund.

66. (1) All payments made from the Circulation Fund shall be without regard to the amount contributed thereto by the bank in respect of whose notes the payments are made.

If fund exceeded.

(2) If the payments from the Circulation Fund exceed the amount contributed to the Circulation Fund by the bank so suspending payment, *and all interest due or accruing due to such bank thereon,* the other banks to which this Act applies shall, on demand, make good to the Circulation Fund the amount of the excess proportionately to the amount which each such other bank had or should have contributed to the Circulation Fund at the time of the suspension of the bank in respect of whose notes the payments are made.

Other banks to contribute.

(3) Each of such other banks shall only be called upon to make good to the Circulation Fund its share of the excess in payments not exceeding in any one year one per centum of the average amount of its notes in circulation; such circulation shall be ascertained in such manner as the Minister decides, and the Minister's decision shall be final.

Amounts recovered, how distributed.

(4) All amounts recovered and received by the Minister from the bank on account of which such payments were made shall, after the amount of such excess has been made good as aforesaid, be distributed among the banks contributing to make good such excess, proportionately to the amount contributed by each. R.S., c. 12, s. 66.

(2) The words "and all interest due or accruing due to such bank thereon" after the word "payment" in the third line of the subsection have been restored in this subsection by the Committee.

Refund of deposit if bank is wound up.

67. In the event of the winding-up of the business of a bank by reason of insolvency or otherwise, the Treasury Board may, on the application of the directors, or of the liquidator, receiver, assignee or other proper official, and on being satisfied that proper arrangements have been made for the payment of the notes of the bank and any interest thereon, pay over to the directors, liquidator, receiver, assignee or other proper official, the amount of the Circulation Fund at the credit of the bank, or such portion thereof as it thinks expedient. R.S., c. 12, s. 67.

Treasury Board rules.

68. The Treasury Board may make all such rules and regulations as it thinks expedient with reference to

(a) the payment of any moneys out of the Circulation Fund, and the manner, place and time of such payment;

(b) the collection of all amounts due to the Circulation Fund;

(c) all accounts to be kept in connection therewith; and

(d) generally the management of the Circulation Fund and all matters relating thereto. R.S., c. 12, s. 68.

Minister may enforce payments.

69. The Minister may, in his official name, by action in the Exchequer Court of Canada, enforce payment, with costs of action, of any sum due and payable by any bank which should form part of the Circulation Fund. R.S., c. 12, s. 69.

Arrangements to be made for circulation at par, and redemption.

70. (1) The bank shall make such arrangements as are necessary to ensure the circulation at par, in any and every part of Canada, of all notes issued or reissued by it and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes at such places in each province as may be fixed by the Governor in Council.

Bank must take its own notes.

(2) The bank shall always receive in payment its own notes at par at any of its branches, agencies or offices, and whether they are made payable there or not. R.S., c. 12, s. 70, am.

Payment in Dominion notes or Bank of Canada notes.

71. (1) The bank, when making any payment shall, on the request of the person to whom the payment is to be made, pay the same, or such part thereof, not exceeding one hundred dollars, as such person requests, in Dominion or Bank of Canada notes for one, two or five dollars each, at the option of such person.

70. The present section reads as follows:—

"**70.** The bank shall make such arrangements as are necessary to ensure the circulation at par, in any and every part of Canada, of all notes issued or reissued by it and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes *at the places at which the Governor in Council has established branch offices of the Department of Finance for the redemption of Dominion notes, and at such other places as are from time to time designated by the Treasury Board.*

2. The bank shall always receive in payment its own notes at par at any of its branches, agencies or offices, and whether they are made payable there or not. 1923, c. 32, ss. 70 and 71."

No torn or defaced notes.

(2) No payment, whether in Dominion or Bank of Canada notes or bank notes, shall be made by the bank in notes that are unclean or torn or partially defaced.

Disinfection of notes.

(3) The Treasury Board may make regulations providing for the disinfection and sterilization by the several banks of all bank notes and Dominion or Bank of Canada notes which have come into the bank's possession before a reissue thereof to the public; and the bank, its officers, clerks and servants, shall carry out and execute the regulations made under the authority of this section. R.S., c. 12, s. 71, am.

Notes binding though not sealed.

72. (1) The notes of the bank signed by the president, a vice-president, the general manager or other officer appointed by the directors of the bank to sign the same, promising the payment of money to any person or to his order or to the bearer, though not under the corporate seal of the bank, shall be binding and obligatory on the bank in like manner and with like force and effect as they would be upon any private person, if issued by him in his private or natural capacity, and shall be assignable in like manner as if they were so issued by a private person in his natural capacity.

Directors may depute officer to sign.

(2) The directors of the bank may from time to time authorize or depute the general manager, a manager or other officer of the bank, or any director other than the president or a vice-president, or any manager of any branch or office of discount and deposit of the bank, to sign the notes of the bank intended for circulation. R.S., c. 12, s. 72, am.

Notes may be signed by machinery.

73. (1) All bank notes whereon the name of any person entrusted or authorized to sign such notes on behalf of the bank is impressed by machinery provided for that purpose, by or with the authority of the bank, shall be good and valid to all intents and purposes, as if such notes had been subscribed in the proper handwriting of the person entrusted or authorized by the bank to sign the same respectively, and shall be bank notes within the meaning of all laws and statutes whatever, and may be described as bank notes in all indictments and civil or criminal proceedings whatever.

Distinguishing mark.

(2) If all such names are impressed by machinery, at least one such name to each note, together with a distinguishing device and number, shall be impressed or engraved under the authority of the bank after the notes are received by the bank from the engraver and printer, and shall not be otherwise impressed or engraved. R.S., c. 12, s. 73, am.

71. (2) The present subsection reads as follows:—

"(2) No payment, whether in Dominion notes or bank notes, shall be made by the bank in bills that are unclean or torn or partially defaced *by excessive handling.*"

72. The first three lines of the present section, which provides that bills or notes are binding though not under the corporate seal of the bank, read as follows:—

"**72.** The *bills or* notes of the bank signed by the president, a vice-president, the general manager or other officer appointed by the directors of the bank to sign the same."

The words "bills or" are struck out as unnecessary.

73. In this section also, which provides that notes and bills may be signed by machinery, the words "and bills" and "or bills" where they occur after the word "notes" are struck out for the same reason.

Counterfeit or fraudulent notes to be stamped.

74. (1) Every officer charged with the receipt or disbursement of public moneys, and every officer of any bank, and every person acting as or employed by any banker, shall stamp or write in plain letters, upon every counterfeit or fraudulent note issued in the form of a Dominion or Bank of Canada or bank note, and intended to circulate as money, which is presented to him at his place of business, the word "Counterfeit," "Altered" or "Worthless."

If wrongfully stamped.

(2) If such officer or person wrongfully stamps any genuine note he shall, upon presentation, redeem it at the face value thereof. R.S., c. 12, s. 74, am.

BUSINESS AND POWERS OF A BANK.

Business and powers of bank.

75. (1) The bank may

(a) open branches, agencies and offices;

(b) engage in and carry on business as a dealer in gold and silver coin and bullion;

(c) deal in, discount and lend money and make advances upon the security of, and take as collateral security for any loan made by it, bills of exchange, promissory notes and other negotiable securities, or the stock, bonds, debentures and obligations of municipal and other corporations, whether secured by mortgage or otherwise, or Dominion, provincial, British, foreign, and other public securities; and

(d) engage in and carry on such business generally as appertains to the business of banking.

Exceptions.

(2) Except as authorized by this Act, the bank shall not either directly or indirectly

(a) deal in the buying or selling or bartering of goods, wares and merchandise, or engage or be engaged in any trade or business whatsoever;

(b) purchase, or deal in, or lend money or make advances upon the security or pledge of, any share of its own capital stock, or of the capital stock of any bank or of the Bank of Canada;

(c) lend money or make advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property, or of any ships or other vessels, or upon the security of any goods, wares and merchandise;

(d) lend to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank without the approval of the directors any amount or amounts exceeding in the aggregate one thousand dollars;

(e) lend to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank any amount or amounts exceeding in the aggregate ten thousand dollars; or

(f) lend money or make advances in excess of five per centum of its paid-up capital to a director of the bank or to any *firm*, company or corporation in which the president, general manager or a director of the bank is a partner or shareholder, as the case may be, without the approval of two-thirds of the directors present at a regular meeting, or meeting specially called for the purpose, of the board.

Name of bank may appear only upon certain prospectus or advertisement.

(g) Permit the name of the bank to appear, except as a banker for receiving applications, upon any prospectus or advertisement, unless such prospectus or advertisement is issued by or on behalf of the Government of Canada or of any province thereof, or of any city or municipality, or of any railway, express, telegraph or telephone company the rates of which are fixed or the tariff of the tolls of which are approved by the Board of Railway Commissioners for Canada, or unless the securities to be issued pursuant to the prospectus or advertisement are guaranteed by the Government of Canada or any province thereof.

Loans to directors.

(3) In no case shall a director of the bank be present or vote at a meeting of the board during the time when loans or advances to himself or any firm, *company* or corporation of which he is a partner or director are under consideration.

No manager or other officer to act as agent for insurance company.

(4) No *manager or other officer* of any bank shall act as agent for any insurance company or for any person in the placing of insurance, nor shall any bank exercise pressure upon any borrower to place insurance for the security of such bank in any particular insurance agency, but nothing herein contained shall prevent such bank from requiring such insurance to be placed with an insurance company which it may approve. R.S., c. 12, s. 75, am.

Bank to have lien upon the stock of its debtors.

76. (1) The bank shall have a privileged lien, for any debt or liability for any debt to the bank, on the shares of its own capital stock, and on any unpaid dividends of the debtor or person liable, and may decline to allow any transfer of the shares of such debtor or person until the debt is paid.

Sale of shares.

(2) The bank shall, within twelve months after the debt has accrued and become payable, sell such shares, but

Notice.

notice shall be given to the holder of the shares of the intention of the bank to sell the same, by mailing the notice, in the post office, post paid, to the last known address of the holder, as shown by the records of the bank, at least thirty days prior to the sale.

Transfer.

(3) Upon the sale being made the president, a vice-president or the general manager shall execute a transfer of the shares to the purchaser thereof in the usual transfer book of the bank.

(f) This subsection is amended by substituting the word "five" for "ten" in the first line thereof.

75. (4) The present subsection (4) is omitted in this Bill, it reads:—

"(4) Nothing herein contained shall prevent the agent or manager of a bank, with chief office and branches in one province only, from acting as agent for the placing of hail insurance."

Effect of transfer.

(4) Such transfer shall vest in the purchaser all the rights in or to the said shares which were possessed by the holder thereof, with the same obligation of warranty on his part as if he were the vendor thereof, but without any warranty from the bank or by the officer of the bank executing the transfer. R.S., c. 12, s. 76, am.

Collateral securities may be sold.

77. (1) The stock, bonds, debentures or securities, acquired and held by the bank as collateral security, may, in case of default in the payment of the debt for the securing of which they were so acquired and held, be dealt with, sold and conveyed, either in like manner and subject to the same restrictions as are herein provided in respect of stock of the bank on which it has acquired a lien under this Act, or in like manner as and subject to the restrictions under which a private individual might in like circumstances deal with, sell and convey the same: Provided that the bank shall not be obliged to sell within twelve months.

Proviso.

Right of sale may be waived.

(2) The right so to deal with and dispose of such stock, bonds, debentures or securities in manner aforesaid may be waived or varied by any agreement between the bank and the owner of the stock, bonds, debentures or securities. R.S., c. 12, s. 77.

Acquisition of real estate.

78. (1) The bank may acquire and hold real and immovable property for its actual use and occupation and the management of its business, and may sell or dispose of the same, and acquire other property in its stead for the same purpose.

Return to Minister.

(2) The bank shall annually, during the month of January, transmit or deliver to the Minister a return showing in detail the fair market value of its real and immovable property held at the end of the preceding calendar year under this section either in its own name or in the name of a trustee or of a corporation controlled by the bank.

Particulars.

(3) Such return shall state separately each parcel of real property held by the bank and as to each such parcel shall state

(a) the registered owner thereof, if the bank is not the registered owner;

(b) the amount of any mortgage or hypotheque thereon, and if more than one parcel is subject to the same mortgage or hypotheque, the parcels subject to such mortgage or hypotheque shall be segregated in such return and identified therewith; and

(c) the extent, if any, to which each such parcel is not held for the actual use and occupation of the bank;

How signed.

and such return shall be signed by the chief accountant, and by the president, or a vice-president, or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the said return is made. R.S., c. 12, s. 78, am.

78. (2) The words underlined are inserted merely to make clear the date as of which the return should be made.

Mortgages and hypotheques of realty, and agreements of sale.

79. (1) The bank may take, hold and dispose of, by way of additional security for debts or liabilities contracted to the bank in the course of its business,

(a) mortgages and hypotheques upon real and personal, immovable and movable property; but no mortgage or hypotheque shall be taken, held or disposed of in respect to, or be deemed to include, any personal property which, on the first day of July, one thousand nine hundred and twenty-three, was by any statutory enactment exempt from seizure under writs of execution;

(b) the rights of vendors or purchasers under agreements for the sale or purchase of real and personal, immovable and movable property.

As to personalty.

(2) The rights, powers and privileges which the bank is by this Act declared to have, or to have had, in respect of real or immovable property mortgaged to it, shall be held and possessed by it in respect of any personal or movable property which is mortgaged or hypothecated to the bank. R.S., c. 12, s. 79, am.

Purchases of realty.

80. The bank may purchase any lands or real or immovable property offered for sale

(a) under execution, or in insolvency, or under the order or decree of a court, or at a sale for taxes, as belonging to any debtor to the bank;

(b) by a mortgagee or other encumbrancer, having priority over a mortgage or other encumbrance held by the bank; or

Notice of sale by auction.

(c) by the bank under a power of sale given to it for that purpose, notice of such sale by auction to the highest bidder having been first given by advertisement for four weeks in a newspaper published in the county or electoral district in which such lands or property is situate,

in cases in which, under similar circumstances, an individual could so purchase, without any restriction as to the value of the property which it may so purchase, and may acquire a title thereto as any individual, purchasing at sheriff's sale or sale for taxes or under a power of sale, in like circumstances could do, and may take, have, hold and dispose of the same at pleasure. R.S., c. 12, s. 80, am.

Bank may acquire absolute title to mortgaged premises.

81. (1) The bank may acquire and hold an absolute title in or to real or immovable property mortgaged to it as security for a debt due or owing to it, either by the obtaining of a release of the equity of redemption in the mortgaged property, or by procuring a foreclosure, or by other means whereby, as between individuals, an equity of redemption can, by law, be barred, or a transfer of title to

79. The amendment will enable a guarantor to give by way of additional security a mortgage or hypotheque under the section for a liability previously contracted by him. A guarantee is not a "debt" within the meaning of the section, while it is a "liability" contracted by the guarantor.

80. The powers of a bank to acquire real estate are set forth in several connections by the provisions of the Act. Section 80 recognizes the right of a bank, when the lands of its debtor are put up for sale under execution, insolvency or decree of a court, to buy in to protect itself. It seems equally necessary to provide, if the lands of the debtor are set up for sale for default of payment of taxes, that the bank should have the right to buy in.

real or immovable property can, by law, be effected, and may purchase and acquire any prior mortgage or charge on such property.

No act or law to prevent.

(2) Nothing in any charter, Act or law shall be construed as ever having been intended to prevent or as preventing the bank from acquiring and holding an absolute title to and in any such mortgaged real or immovable property, whatever the value thereof, or from exercising or acting upon any power of sale contained in any mortage given to or held by the bank, authorizing or enabling it to sell or convey any property so mortgaged. R.S., c. 12, s. 81.

Property to be sold within certain time.

82. (1) No bank shall hold any real or immovable property, howsoever acquired, except such as is required for its own use, for any period exceeding seven years from the date of the acquisition thereof, or any extension of such period as in this section provided, and such property shall be absolutely sold or disposed of within such period or extended period as the case may be, so that the bank shall no longer retain any interest therein unless by way of security.

Extension of time.

(2) The Treasury Board may direct that the time for the sale or disposal of any such real or immovable property shall be extended for a further period or periods, not to exceed five years.

Twelve years.

(3) The whole period during which the bank may so hold such property under the foregoing provisions of this section shall not exceed twelve years from the date of the acquisition thereof.

Property not sold liable to forfeiture.

(4) Any real or immovable property, not required by the bank for its own use, held by the bank for a longer period than authorized by the foregoing provisions of this section shall be liable to be forfeited to His Majesty for the use of the Dominion of Canada: Provided that

Proviso.

(a) no such forfeiture shall take effect until the expiration of at least six calendar months after notice in writing to the bank by the Minister of the intention of His Majesty to claim the forfeiture; and

(b) the bank may, notwithstanding such notice, before the forfeiture is effected sell or dispose of the property free from liability to forfeiture.

Provisions apply to realty now held.

(5) The provisions of this section shall apply to any real or immovable property heretofore acquired by the bank and held by it at the time of the coming into force of this Act. R.S., c. 12, s. 82.

Loans on standing timber.

83. The bank may lend money upon the security of standing timber or the rights or licences held by persons to cut or remove such timber: Provided that, if the provincial law permits, the instrument evidencing such security is registered against the land upon which such timber stands or in the offices in which are recorded such rights or licences. R.S., c. 12, s. 83.

Loans to receiver or liquidator under Winding-up Acts and to officer under Bankruptcy Act.

84. The bank may lend money to a receiver, to a receiver and manager, to a liquidator appointed under any Winding-up Act, or to a custodian, interim receiver, or trustee under the Bankruptcy Act, provided such receiver, receiver and manager, liquidator, custodian, interim receiver or trustee, has been duly authorized or empowered to borrow, and, in respect of any money so lent, the bank may take security, with or without personal liability, from such receiver, receiver and manager, liquidator, custodian, interim receiver or trustee to such an amount, and upon such property and assets, as may be directed or authorized by any court of competent jurisdiction. R.S., c. 12, s. 84.

Advances for building ships.

85. (1) Every bank advancing money in aid of the building of any ship or vessel shall have the same right of acquiring and holding security upon such ship or vessel, while building and when completed, either by way of mortgage, hypothèque, hypothecation, privilege or lien thereon, or purchase or transfer thereof, as individuals have in the province wherein the ship or vessel is being built.

Rights and obligations.

(2) The bank may, for the purpose of obtaining and enforcing such security, avail itself of all such rights and means, and shall be subject to all such obligations, limitations and conditions as are, by the law of such province, conferred or imposed upon individuals making such advances. R.S., c. 12, s. 85.

Warehouse receipts and bills of lading.

86. (1) The bank may acquire and hold any warehouse receipt or bill of lading as collateral security for the payment of any debt incurred in its favour, or as security for any liability incurred by it for any person, in the course of its banking business.

Effect of taking.

(2) Any warehouse receipt or bill of lading so acquired shall vest in the bank, from the date of the acquisition thereof.

(a) all the right and title to such warehouse receipt or bill of lading and to the goods, wares and merchandise covered thereby of the previous holder or owner thereof; or

(b) all the right and title to the goods, wares and merchandise mentioned therein of the person from whom such goods, wares and merchandise were received or acquired by the bank, if the warehouse receipt or bill of lading is made directly in favour of the bank, instead of to the previous holder or owner of such goods, wares and merchandise. R.S., c. 12, s. 86, am.

When previous holder is an agent.

87. (1) If the previous holder of such warehouse receipt or bill of lading is any person

(a) entrusted with the possession of the goods, wares and merchandise mentioned therein, by or by the authority of the owner thereof;

86. (2) *(a)* The words underlined are inserted merely to bring this section into harmony with other provisions of the Act relating to security over goods, wares and merchandise.

(*b*) to whom such goods, wares and merchandise are, by or by the authority of the owner thereof, consigned; or

(*c*) who, by or by the authority of the owner of such goods, wares and merchandise, is possessed of any bill of lading, receipt, order or other document covering the same, such as is used in the course of business as proof of the possession or control of goods, wares and merchandise, or as authorizing or purporting to authorize, either by endorsement or by delivery, the possessor of such a document to transfer or receive the goods, wares and merchandise thereby represented,

the bank shall be, upon the acquisition of such warehouse receipt or bill of lading, vested with all the right and title of the owner of such goods, wares and merchandise, subject to the right of the owner to have the same retransferred to him if the debt or liability, as security for which such warehouse receipt or bill of lading is held by the bank, is paid.

Presumption of possession.

(2) Any person shall be deemed to be the possessor of such goods, wares and merchandise, bill of lading, receipt, order or other document as aforesaid

(*a*) who is in actual possession thereof; or

(*b*) for whom, or subject to whose control such goods, wares and merchandise are, or bill of lading, receipt, order, or other document is held by any other person. R.S., c. 12, s. 87.

Loans to certain wholesale dealers.

88. (1) The bank may lend money to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, upon the security of such products.

Grain.

(2) The bank may lend money to a farmer upon the security of his threshed grain grown upon the farm.

Loans to wholesale manufacturers.

(3) The bank may lend money to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise upon the security of the goods, wares and merchandise manufactured by him, or procured for such manufacture.

Removal of goods.

(4) If, with the consent of the bank, the products, goods, wares and merchandise, upon the security of which money has been loaned under the authority of this section, are removed and other products, goods, wares and merchandise of substantially the same character are respectively substituted therefor, then to the extent of the value of the products, goods, wares and merchandise so removed, the products, goods, wares and merchandise so substituted shall be covered by such security as if originally covered thereby; but failure to obtain the consent of the bank to any such substitution shall not affect the validity of the security either as respects any products, goods, wares and

Substitution.

Security.

88. (1) The present subsection reads as follows:—

"**88.** (1) The bank may lend money to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, *or to any wholesale purchaser or shipper of or dealer in live stock or dead stock or the products thereof*, upon the security of such products, *or of such live stock or dead stock or the products thereof*."

The words in italics are omitted by reason of the enlargement of paragraph *(m)* of section 2 and reference to "live stock or dead stock or the products thereof" are for the same reason omitted from later sections.

merchandise actually substituted as aforesaid or in any other particular.

Owner may give the security.

(5) Any such security, as mentioned in the foregoing provisions of this section, may be given by the owner of the said products, goods, wares and merchandise.

Form of security.

(6) The security may be taken in the form set forth in Schedule C to this Act, or to the like effect.

Same rights as upon warehouse receipts.

(7) The bank shall, by virtue of such security, acquire the same rights and powers in respects of the products, goods, wares and merchandise covered thereby as if it had acquired the same by virtue of a warehouse receipt: Provided, however, that the wages, salaries or other remuneration of persons employed by any wholesale purchaser, shipper or dealer, or by any wholesale manufacturer, in connection with any of the several wholesale businesses referred to, or by any farmer, in connection with the farm, owing in respect of a period not exceeding three months, shall be a charge upon the property covered by the said security in priority to the claim of the bank thereunder, and such wages, salaries or other remuneration shall be paid by the bank if the bank takes possession or in any way disposes of the said security or of the products, goods, wares and merchandise covered thereby.

Proviso as to claims for wages.

Loans for purchase of seed grain or binder twine.

(8) The bank may lend money to the owner, tenant or occupier of land for the purchase of seed grain upon the security of any crop to be grown from such seed grain, *and for the purchase of binder twine upon the security of the crop grown by the borrower and which is about to be harvested.*

Security.

(9) The security taken under subsection (8) of this section *for money lent for the purchase of seed grain or for money lent for the purchase of binder twine,* may be taken *in the relevant and appropriate* form set forth in Schedule D, *or Schedule E, as the case may be,* to this Act or in a form to the like effect.

First lien upon seed grain and crop.

(10) The bank shall by virtue of such security acquire a first and preferential lien and claim for the sum secured and interest thereon upon the seed grain *or binder twine* purchased and the crop covered by the security, as well before as after the severance of the crop from the soil, and upon the grain threshed therefrom, and the bank shall by virtue of such security acquire the same rights and powers in respect of such seed grain *or binder twine* and of the grain so threshed as if it had acquired such rights and powers by virtue of a warehouse receipt.

Same rights as upon warehouse receipts.

Right to enter and take

(11) The bank shall have the right, through its servants or agents, in case of default in payment of the money lent or in case of neglect to care for and harvest the crop, or

possession in case of default, etc.

in case of any attempt to dispose of the crop without the consent of the bank or in case of the seizure of the crop under process of law, to enter upon the land upon which the crop is grown, to take possession of, care for and harvest the crop and thresh the grain therefrom.

Loan for live stock raising.

(12) The bank may lend money to a farmer and to any person engaged in stock raising upon the security of his live stock; provided however that such security shall not include and shall be deemed not to include any live stock which on the first day of July, one thousand nine hundred and twenty-three, was by any statutory enactment exempt from seizure under writs of execution.

(13) The provisions of subsection four of this section, making live stock substituted for live stock removed subject to the security, shall apply to the live stock substituted by the farmer or other person engaged in stock raising.

Security.

(14) The security taken under subsection twelve of this section may be taken in the form set forth in Schedule F to this Act or in a form to the like effect.

Entry, seizure and sale.

(15) The bank shall by virtue of the security taken under subsection twelve of this section have full power, right and authority, if the bills or notes therein mentioned or described or any of them are not paid according to their tenor, to enter upon the premises upon which the live stock mentioned in the security are, to take possession of or seize such live stock, and before or after such taking possession of or seizure, to sell such live stock, or such part thereof as may be necessary to realize the amount due and payable, at public auction, not less than five days after

Notice of sale.

(a) notice of the time and place of such sale has appeared in a newspaper published in or nearest to the place where the sale is to be made, and

(b) posting a notice in writing or in print of the time and place of such sale in or at the post office nearest to the place where the sale is to be made.

Disposal of proceeds of sale.

(16) After all necessary and reasonable expenses in connection with such seizure and sale have been deducted and prior privileges, liens or pledges existing in favour of third parties and for which claims may have been filed with the party making the sale have been satisfied, the balance of the proceeds of the sale shall be applied in payment of the said bills or notes and the surplus, if any, returned to the grantor.

Notice of intention to give security.

(17) Any person intending to give a bank security under the authority of this section must give notice of such intention before any loan is made by the bank to such per-

88. (13) The existing subsection reads as follows:—

"(13) The provisions of subsection four of this section, making live stock substituted for live stock removed subject to the security, shall apply to the live stock substituted by the farmer or other person engaged in stock raising. "*Live stock*" *for the purposes of this section means horses and mares, bulls, cows, oxen, bullocks, steers, heifers and calves, sheep and swine and the offspring of any of such animals.*"

The words in italics are omitted by reason of their inclusion in paragraph *(m)* of section 2.

son and the security taken, by signing a document hereinafter called a "notice of intention," which may be in the form set out in Schedule G to this Act or to the like effect.

To be registered.

(18) The notice of intention shall be registered in the manner hereinafter provided, and, after the first day of August, one thousand nine hundred and twenty-three, any security subsequently taken under the authority of this section, before such notice of intention is registered, shall be null and void as against the creditors of such person and as against subsequent purchasers or mortgagees in good faith; and a notice of intention when registered shall be deemed to be notice for the purposes of this section in respect of all securities taken by the bank from such person, under said authority, during the period of three years after the date of registration.

Where to be registered.

(19) The notice of intention shall be registered in the office of the Assistant Receiver General, hereinafter called the Assistant Receiver, or in such office as may be prescribed by the Minister after the coming into force of the *Bank of Canada Act*, in the province in which the place of business, or principal place of business in case the person has more than one place of business, of the person is situate.

"Assistant Receiver."

(20) "Assistant Receiver" in this section includes anyone acting for the Assistant Receiver or the officer in charge of the office to be prescribed as aforesaid.

If person has no place of business.

(21) If the person has no place of business then the notice of intention shall be registered in the office of the Assistant Receiver in the province in which such person resides.

"Place of business."

(22) "Place of business" and "principal place of business" shall, in the case of a company incorporated in Canada, be deemed to be the place where the head office or chief place of business of the company is situate, or if a foreign corporation, then the place of business of such corporation for the purposes of this section shall be the place at which civil process in the province in which the loan is made can be served upon the company.

Manner of registration.

(23) The Assistant Receiver shall number consecutively every notice of intention received by him and shall endorse thereon the number and the hour and date of receiving it, and shall file the same and enter, in alphabetical order, in a book to be kept by him, the name of every person who has given such notice of intention, with the number endorsed thereon opposite to each name.

Assistant Receiver to supply bank with certified copy of document.

(24) The Assistant Receiver shall endorse over his signature on a copy of the notice of intention to be supplied by the bank, for the records of the bank, the date of registration and number, and the production of the copy with such endorsation and signature shall be conclusive evidence in all courts of the registration and of the time of registration as thereon endorsed.

88. (19) Having in view the prospective discontinuance of the offices of the Assistant Receivers General, it becomes necessary to make provision for offices at which registration may be made of notice of intention to borrow under this section.

Cancellation.

(25) The notice of intention may be cancelled by the Assistant Receiver in the book containing such registration at the place where the registration is entered on receipt by him from the bank named in the notice of intention registered of a certificate of release duly signed on behalf of the bank to the effect that each and every security under this section, given to the bank by the person has been released, or that no security was given to the bank as the case may be, and such certificate of release shall bear on the face thereof the number and date endorsed on the original document on file in the office of the Assistant Receiver.

Certificate of release.

(26) The Assistant Receiver shall number consecutively every certificate of release received by him and shall endorse thereon the number and the hour and date of its receipt and shall file the same.

Register open to inspection.

(27) Every person, upon payment of the proper fees, shall have access to and be entitled to inspect the registration book and any document registered or filed pursuant to this section.

Fees.

(28) For services under this Act, the Assistant Receiver shall be entitled to the following fees, for which he shall be accountable to the Consolidated Revenue Fund:—

For registration of each notice of intention and endorsation of copy over signature..	25c.
For production of registration book for inspection.....	25c.
For production of any notice of intention for inspection.....	25c.
For registration of each certificate of release	25c.

R.S., c. 12, s. 88, am.

Enquiries.

(29) Any person, desiring to ascertain whether a notice of intention or certificate of release has been registered by any other person pursuant to this section, may make enquiry by sending a prepaid telegram or other written communication addressed to the Assistant Receiver, and it shall be the duty of the Assistant Receiver, without payment of any fee prescribed in the next preceding subsection, to make the necessary inspection of the registration book and of the relative documents, if any, and to make answer to the enquiry of the sender by a telegraphic message at the expense of the sender, and stating therein the name of the bank mentioned in the notice of intention.

Goods manufactured from articles pledged.

89. (1) If goods, wares and merchandise are manufactured or produced from the goods, wares and merchandise, or any of them, included in or covered by any warehouse receipt, or included in or covered by any security given under section eighty-eight of this Act, while so covered, the bank holding such warehouse receipt or security shall hold or continue to hold such goods, wares and merchandise, dur-

ing the process and after the completion of such manufacture or production, with the same right and title, and for the same purposes and upon the same conditions, as it held or could have held the original goods, wares and merchandise.

Prior claim of bank over unpaid vendor.

(2) All advances made on the security of any bill of lading or warehouse receipt, or of any security given under section eighty-eight of this Act, shall give to the bank making the advances a claim for the repayment of the advances on the products, goods, wares and merchandise therein mentioned, or into which they have been converted, prior to and by preference over the claim of any unpaid vendor, but such preference shall not be given over the claim of any unpaid vendor who had a lien upon the products, goods, wares and merchandise at the time of the acquisition by the bank of such warehouse receipt, bill of lading, or security, unless the same was acquired without knowledge on the part of the bank of such lien.

Exception.

Sale of goods on non-payment of debt.

(3) In the event of the non-payment at maturity of any debt or liability secured by a warehouse receipt or bill of lading, or secured by any security given under section eighty-eight of this Act, the bank may sell the products, goods, wares and merchandise mentioned therein, or so much thereof as will suffice to pay such debt or liability with interest and expenses, returning the surplus, if any, to the person from whom the warehouse receipt, bill of lading, or security, or the products, goods, wares and merchandise mentioned therein, as the case may be, were acquired; but such power of sale shall be exercised subject to the following provisions, namely:—

Notice of sale of saw-logs, railway ties and lumber.

(a) No sale, without the consent in writing of the owner of any products of the forest shall be made under this Act until notice of the time and place of such sale has been given by a registered letter, mailed in the post office, post paid, to the last known address of the pledgor thereof, at least thirty days prior to the sale thereof;

Notice of sale of goods.

(b) No such products (other than products of the forest), and no goods, wares and merchandise shall be sold by the bank under this Act without the consent of the owner, until notice of the time and place of sale has been given by a registered letter, mailed in the post office, post paid, to the last known address of the pledgor thereof, at least ten days prior to the sale thereof;

Sale by auction.

(c) Every sale, under such power of sale, without the consent of the owner, shall be made by public auction, after notice thereof by advertisement in at least two newspapers published in or nearest to the place where the sale is to be made, stating the time and place thereof; and, if the sale is in the province of Quebec,

then at least one of such newspapers shall be a newspaper published in the English language, and one other such newspaper shall be a newspaper published in the French language. R.S., c. 12, s. 89, am.

Conditions under which bank may take security.

90. (1) The bank shall not acquire or hold any warehouse receipt or bill of lading, or any security as aforesaid, to secure the payment of any bill, note, debt, or liability, unless such bill, note, debt or liability is negotiated or contracted

(a) at the time of the acquisition thereof by the bank; or

(b) upon the written promise or agreement that a warehouse receipt or bill of lading or security as aforesaid, would be given to the bank:

Proviso.

Provided that such bill, note, debt or liability may be renewed, or the time for the payment thereof extended, without affecting any security so acquired or held.

(2) The bank may

Exchanging of warehouse receipt for bill of lading and *vice versa*.

(a) on the shipment of any products, goods, wares and merchandise for which it holds a warehouse receipt, or any such security as aforesaid, surrender such receipt or security and receive a bill of lading in exchange therefor;

(b) on the receipt of any products, goods, wares and merchandise, for which it holds a bill of lading, or any such security as aforesaid, surrender such bill of lading or security, store the products, goods, wares and merchandise and take a warehouse receipt therefor, or ship the products, goods, wares and merchandise, or part of them, and take another bill of lading therefor;

(c) surrender any bill of lading or warehouse receipt held by it and receive in exchange therefor any security that may be taken under this Act;

(d) when it holds any such security as aforesaid on grain in any elevator, take a bill of lading covering the same grain or grain of the same grade or kind shipped from such elevator, in lieu of such security, to the extent of the quantity shipped;

(e) when it holds any security whatsoever covering grain, take, in lieu of such security to the extent of the quantity covered by the security taken, a bill of lading or warehouse receipt for, or any document entitling it under the provisions of *The Canada Grain Act*, to the delivery of, the same grain or grain of the same grade or kind. R.S., c. 12, s. 90, am.

90. These amendments are proposed to remove a doubt as to the proper construction of this section. The opening part of the section speaks of "any warehouse receipt or bill of lading or any *such* security as aforesaid." The word "such," now omitted, lent itself to the possible interpretation that a particular warehouse receipt or bill of lading or security under section 88 was in contemplation when the promise was given, while in fact the promise has always been interpreted as meaning that a warehouse receipt or bill of lading or security under section 88 would be given as soon as the property became available for security purposes. Actually, the promise must in practically all cases be given before the goods to be covered by it can be identified. They may not even be in existence. "Such," for which "a" is now substituted in paragraph *(b)*, really was intended to connote the types of securities which are mentioned in the opening part of the section.

90. (1) The present subsection reads as follows:—

"The bank shall not acquire or hold any warehouse receipt or bill of lading, or any *such* security as aforesaid, to secure the payment of any bill, note, debt, or liability, unless such bill, note, debt or liability is negotiated or contracted

(a) at the time of the acquisition thereof by the bank; or

(b) upon the written promise or agreement that *such* warehouse receipt or bill of lading or security would be given to the bank:

Provided that such bill, note, debt or liability may be renewed, or the time for the payment thereof extended, without affecting any *such* security."

90. (2) *(c)*, *(d)* and *(e)*. Paragraph *(c)* is in harmony with and supplemental to the principles in the antecedent paragraphs *(a)* and *(b)* which provide for the acquisition of one kind of security in exchange for one already held, but which do not enable an importer to give a bank a security upon goods which have come into his possession through the action of the bank in delivering to him the bill of lading accompanying the foreign draft which has been taken up by the bank. Paragraph *(c)* authorizes this to be done.

Paragraphs *(d)* and *(e)* deal with security upon grain. These amendments are rendered necessary to bring the provisions of the *Bank Act* into accord with the method of

Interest exceeding 7% shall not be charged.

91. (1) The bank shall not in any part of Canada, excepting the Territories, stipulate for, charge, take, reserve or exact any rate of interest or discount exceeding seven per centum per annum and no higher rate of interest or discount shall be recoverable by the bank, and every bank which violates the provisions of this subsection shall be guilty of an offence, and for every such offence shall be liable, on summary conviction, to a fine not exceeding five hundred dollars, and every one who, being a manager or officer of any bank, violates the said provisions shall be guilty of an offence, and for every such offence shall be liable, on summary conviction, to a fine not exceeding one hundred dollars: Provided, however, that in a case where the interest or discount amounts to less than one dollar the bank may stipulate for, charge, take, reserve or exact a total charge not exceeding one dollar: *Provided, further, that when the advance or loan is not in excess of twenty-five dollars, and the interest or discount thereon amounts to less than fifty cents, the maximum charge shall not exceed fifty cents.*

Return to Minister.

(2) The bank shall make a semi-annual return to the Minister, as of the last juridical day of the months of June and December in each year, giving such particulars as may be prescribed by regulations made by the Treasury Board of the interest and discount rates charged by the bank.

Signature to returns.

(3) Such returns shall be made up and sent in within the first thirty days after the respective juridical days aforesaid, and shall be signed by the same persons as are required to sign the monthly returns made to the Minister under section one hundred and twelve of this Act.

Charge for keeping accounts.

(4) No bank shall directly or indirectly charge or receive any sum whatsoever for the keeping of any account unless such charge is made by express agreement between the bank and the customer. R.S., c. 12, s. 91, am.

Interest on deposits.

92. (1) The bank may allow any rate of interest whatever upon money deposited with it.

handling grain recognized by the *Canada Grain Act* as enacted in 1930 and amended in 1933. Paragraph *(d)* is particularly intended to cover the shipment, usually from the country elevator to a terminal elevator, of grain upon which the bank holds security, permitting the bank to take a bill of lading on the grain shipped, in lieu of the security it holds. Under the subsection the bill of lading may cover the same grain, or other grain of the same grade or kind. Paragraph *(e)* is intended to maintain for the bank a continuous security upon the same or substituted grain from interior points to the seaboard.

91. (1) The present subsection reads as follows:—

"**91.** The bank may stipulate for, take, reserve or exact any rate of interest or discount not exceeding seven per cent per annum and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank."

The Banking Commission recommended by 4 to 1 that this subsection should be repealed, but that if retained, a penalty clause should be added.

91. (2) The underlined words "semi-annual" are inserted in place of the word "quarterly."

Liability of bank on deposits.

(2) The liability of the bank, under any law, custom or agreement to repay moneys heretofore or hereafter deposited with it and interest, if any, shall continue, notwithstanding any statute of limitations, or any enactment or law relating to prescription. R.S., c. 12, s. 92.

Percentage chargeable for collection.

93. When any note, bill, or other negotiable security or paper, payable, at any of the bank's places or seats of business, branches, agencies or offices of discount and deposit in Canada, is discounted at any other of the bank's places or seats of business, branches, agencies or offices of discount and deposit, the bank may, in order to defray the expenses attending the collection thereof, receive or retain in addition to the discount thereon, a percentage calculated upon the amount of such note, bill, or other negotiable security or paper, not exceeding one-eighth of one per centum: Provided that the bank may make a minimum charge of fifteen cents. R.S., c. 12, s. 93.

Agency charges.

94. The bank may, in discounting any note, bill or other negotiable security or paper, *bona fide* payable at any place in Canada, other than that at which it is discounted, and other than one of its own places or seats of business, branches, agencies or offices of discount and deposit in Canada, receive and retain, in addition to the discount thereon, a sum not exceeding one-fourth of one per centum on the amount thereof: Provided that the bank may make a minimum charge of twenty-five cents. R.S., c. 12, s. 94.

Deposits may be received from persons unable to contract.

95. (1) The bank may, subject to the provisions of this section, without the authority, aid, assistance or intervention of any other person or official being required,

(a) receive deposits from any person whomsoever, whatever his age, status or condition in life, and whether such person is qualified by law to enter into ordinary contracts or not; and

(b) from time to time *pay* any or all of the principal thereof, and *any or all* of the interest thereon, to *or to the order* of such person, unless before such *payment* the money so deposited in the bank is lawfully claimed as the property of some other person.

Payments by consent.

(2) In the case of any such lawful claim the money so deposited may be paid to the depositor with the consent of the claimant, or to the claimant with the consent of the depositor. R.S., c. 12, s. 95, am.

Bank not bound to see to trust in deposits.

96. (1) The bank shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any deposit made under the authority of this Act is subject.

95. (3) The Banking Commission recommends that this subsection, which restricts the right of deposits and withdrawals by married women in Quebec, should be amended so as to leave their rights unrestricted.

The purpose will be served by omitting the subsection. It reads as follows:—

"(3) If the person making any such deposit could not, under the law of the province where the deposit is made, deposit and withdraw money in and from a bank without this section, the total amount to be received from such person on deposit shall not, at any time, exceed the sum of two thousand dollars."

Receipt where deposit subject to trust.

(2) *If any deposit made under the authority of this Act is subject to a trust of which* the bank has notice, the receipt *or cheque* of the person in whose name any such deposit stands, or, if it stands in the names of two *or more than two* persons, the receipt *or cheque of all such persons* shall, notwithstanding any trust to which such deposit is then subject, be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit, and the bank shall not be bound to see to the application of any money paid upon such receipt *or cheque*.

Receipt of one of two depositors.

(3) Except only in the case of a lawful claim by some other person before repayment, the receipt *or cheque* of the person in whose name any deposit stands, or, if it stands in the name of two persons, the receipt *or cheque* of one, or if it stands in the names of more than two persons the receipt *or cheque* of a majority of such persons, shall be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit.

Garnishee order affects only branch where served.

(4) An attaching or garnishee order or summons shall only affect and bind moneys to the credit of the debtor at the branch, agency or office of the bank where such order or summons or notice thereof is served. R.S., c. 12, s. 96.

If depositor dies, claim not exceeding $500, how proved.

97. (1) If a person dies, having a deposit with the bank not exceeding the sum of five hundred dollars, the production to the bank of

(a) any authenticated copy of the probate of the will of the deceased depositor, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, Northern Ireland or any British Dominion or colony, or of any testament-testamentar or testament-dative expede in Scotland;

(b) an authentic notarial copy of the will of the deceased depositor, if such will is in notarial form, according to the law of the province of Quebec; or

(c) if the deceased depositor died outside of His Majesty's dominions, any authenticated copy of the probate of his will, or of letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters

shall be sufficient justification and authority to the directors for paying such deposit, in pursuance of and in conformity to such probate, letters of administration, or other documents as aforesaid.

Deposit of copy of document.

(2) When the authenticated copy or other document of like import is produced to the bank under subsection one of this section, there shall be deposited with the bank a true copy thereof. R.S., c. 12, s. 97, am.

97. (1) The present paragraph reads as follows:—

"**97.** If a person dies, having a deposit with the bank not exceeding the sum of five hundred dollars, the production to the bank of

(a) any authenticated copy of the probate of the will of the deceased depositor, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, *Ireland or any British colony*, or of any testament, testamentary or testament dative expede in Scotland;"

DOMINION GOVERNMENT CHEQUES.

Official cheques and cheques payable to government to be paid at par.

98. The bank shall not make any charge for cashing any cheque drawn on the Receiver General or on his account in the Bank of Canada or in any other bank or for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund or upon any cheque drawn in favour of the Government of Canada or any department thereof and tendered for deposit in the Consolidated Revenue Fund. R.S., c. 12, s. 98, am.

PURCHASE OF THE ASSETS OF A BANK.

Bank may sell assets to another bank.

99 (1) Any bank may sell the whole or any portion of its assets to any other bank which may purchase such assets; and the selling and purchasing banks may, for such purposes, enter into an agreement of sale and purchase, which agreement shall contain all the terms and conditions connected with the sale and purchase of such assets.

Consent of Minister.

(2) No agreement by a bank to sell the whole or any portion of its assets to another bank shall be made unless and until the Minister, in writing, consents that an agreement under subsection one of this section may be entered into between the two banks. R.S., c. 12, s. 99.

Consideration.

100. (1) The consideration for any such sale and purchase may be as agreed upon between the selling and purchasing banks.

If in shares of capital stock.

(2) If the consideration, or any portion thereof, is shares of the capital stock of the purchasing bank, the agreement shall provide for the amount of the shares of the purchasing bank to be paid to the selling bank.

Not considered issued until sold or distributed.

(3) Until such shares so paid to the selling bank have been sold by such bank, or have been distributed among and accepted by the shareholders of such bank, they shall not be considered issued shares of the purchasing bank for the purposes of its note circulation. R.S., c. 12, s. 100.

Agreement of sale to be submitted to shareholders at meeting.

101. (1) The agreement of sale and purchase shall be submitted to the shareholders of the selling and purchasing banks, either at the annual general meeting of the respective banks or at a special general meeting thereof called for the purpose.

Copy to each shareholder by mail.

(2) A copy of the agreement shall be mailed, post paid, to every shareholder of each bank to his last known address, at least four weeks previously to the date of the meeting at which the agreement is to be submitted, together with a notice of the time and place of the holding of such meeting. R.S., c. 12, s. 101.

98. The present section is as follows:—

"**98.** The bank shall not charge any discount or commission for the cashing of any official cheque of the Government of Canada or of any department thereof, whether drawn on the bank cashing the cheque or on any other bank, nor upon any cheque drawn in favour of the Government of Canada or any department thereof, and tendered for deposit to the credit of the Receiver General of Canada."

The change is made to bring the section into line with present and prospective administrative procedure and conforms closely to a similar section in the *Consolidated Revenue and Audit Act.*

Agreement may be executed if they approve.

102. (1) If at each meeting the agreement is approved by resolution carried by the votes of shareholders, present or represented by proxy, representing not less than two-thirds of the amount of the subscribed capital stock of the bank, the agreement may be executed under the seals of the banks, parties thereto, and application may be made to the Governor in Council, through the Minister, for approval thereof.

Approval of Governor in Council.

(2) Until the agreement is approved by the Governor in Council it shall not be of any force or effect. R.S., c. 12, s. 102.

Approval of shareholders of purchasing bank.

103. If the agreement provides for the payment of the consideration for such sale and purchase, in whole or in part, in shares of the capital stock of the purchasing bank, and for such purpose it is necessary to increase the capital stock of such bank, a by-law for the purpose may be passed by the shareholders at the meeting called to approve of the agreement. R.S., c. 12, s. 103.

Necessary increase of stock may be approved.

104. The Governor in Council may, on the application for his approval of the agreement, approve of the increase of the capital stock of the purchasing bank, which is necessary to provide for the payment of the shares of such bank to the selling bank, as provided in the said agreement. R.S., c. 12, s. 104.

Ordinary provisions for increase not to apply.

105. The provisions of this Act with regard to

(a) the increase of the capital stock of the bank by by-law of the shareholders approved by the Treasury Board; and

(b) the allotment and sale of such increased stock

shall not apply to any increase of stock made or provided for under the authority of the last two preceding sections. R.S., c. 12, s. 105.

Conditions on which Governor in Council may approve agreement.

106. (1) The approval of the Governor in Council shall not be given to the agreement, unless

(a) the consent of the Minister as prescribed by sub-section two of section ninety-nine of this Act has been given;

(b) the approval of the agreement is recommended by the Treasury Board;

(c) the application for approval thereof is made, by or on behalf of the bank executing it, within three months from the date of execution of the agreement; and

(d) it appears to the satisfaction of the Governor in Council that all the requirements of this Act in connection with the approval of the agreement by the shareholders of the selling and purchasing banks have been complied with, and that, after the approval by

the shareholders of the selling bank, notice of the intention of the banks to apply to the Governor in Council for the approval of the agreement has been published for at least four weeks in the Canada Gazette, and in one or more newspapers published in places where the chief offices of the banks are situate.

Information.

(2) Such banks shall afford all information that the Minister requires.

Approval may be refused.

(3) Nothing herein contained shall be construed to prevent the Governor in Council or the Treasury Board from refusing to approve of the agreement or to recommend its approval. R.S., c. 12, s. 106.

Further conditions.

107. (1) The agreement shall not be approved of unless it appears that

(a) proper provisions have been made for the payment of the liabilities of the selling bank;

(b) the agreement provides for the assumption and payment by the purchasing bank of the notes of the selling bank issued and intended for circulation, outstanding and in circulation; and

(c) the amounts of the notes of both the purchasing and selling banks, issued for circulation, outstanding and in circulation, as shown by the then last monthly returns of the banks, do not together exceed the then paid-up capital of the purchasing bank and the amount, if any, held for both of the said banks in the central gold reserves referred to in this Act; or if the amount of such notes does exceed such paid-up capital and the amount so held, an amount in cash, equal to the excess of such notes over such paid-up capital and the amount so held, has been deposited by the purchasing bank with the Minister.

Deposit.

(2) The amount so deposited under paragraph *(c)* of subsection one of this section shall be held by the Minister as security for the redemption of the said excess of notes; and when the amount of the notes of the two banks outstanding and in circulation is less than the aggregate of the paid-up capital of the purchasing bank, the amount aforesaid, if any, held in the central gold reserves, together with the amount so deposited, the difference shall, from time to time, be repaid by the Minister out of the deposit, to the extent thereof, to the purchasing bank, but without interest, on the application of such bank, and on the production of such evidence as the Minister may require to show the amount of the notes of the two banks then outstanding and in circulation. R.S., c. 12, s. 107.

Notes of selling bank to become notes of

108. (1) The notes of the selling bank so assumed and to be paid by the purchasing bank shall, on the approval of the agreement, be deemed to be, for all intents and pur-

purchasing bank.

poses, notes of the purchasing bank issued for circulation; and the purchasing bank shall be liable in the same manner and to the same extent as if it had issued them for circulation.

Circulation Fund.

(2) The amount at the credit of the selling bank in the Circulation Fund shall, on the approval of the agreement, be transferred to the credit of the purchasing bank.

As to withdrawal of deposit in central gold reserves.

(3) The trustees shall not permit any part of the deposit, if any, of the selling bank in the central gold reserves to be withdrawn under the provisions of this Act after the last juridical day of the month in which notice of intention to apply to the Governor in Council for approval of the agreement has been given and pending such approval, unless and until the trustees are notified in writing by the Minister of his consent thereto; and on the approval of the agreement the trustees shall hold the deposit, if any, for and as if such deposit had been originally made by the purchasing bank.

Notes to be called in.

(4) The notes of the selling bank shall not be reissued, but shall be called in, redeemed and cancelled as quickly as possible. R.S., c. 12, s. 108.

Evidence of approval by Governor in Council.

109. (1) The approval of the Governor in Council of the agreement shall be evidenced by a certified copy of the Order in Council approving thereof.

Orders in Council conclusive.

(2) A copy of such Order in Council or extract thereof, and a copy of such agreement, purporting to be certified to be true by the clerk or assistant or acting clerk of the King's Privy Council for Canada shall, in all courts of justice and for all purposes, be *prima facie* evidence of the said agreement, and of its due execution, and of its approval by the Governor in Council, and of the regularity of all proceedings in connection therewith. R.S., c. 12, s. 109.

On approval of Governor in Council the assets pass.

110. (1) On the agreement being approved of by the Governor in Council, the assets therein referred to as sold and purchased shall, in accordance with and subject to the terms thereof, and without any further conveyance, become vested in the purchasing bank.

Further assurance.

(2) The selling bank shall, from time to time, subject to the terms of the agreement, execute such formal and separate conveyances, assignments and assurances, for registration purposes or otherwise, as are reasonably required to confirm or evidence the vesting in the purchasing bank of the full title or ownership of the assets referred to in the agreement. R.S., c. 12, s. 110.

Selling bank to cease business and be wound up.

111. As soon as the agreement is approved of by the Governor in Council, the selling bank shall cease to issue or reissue notes for circulation, and shall cease to transact any business, except such as is necessary to enable it to carry out the agreement, to realize upon any assets not included in the agreement, to pay and discharge its lia-

bilities, and generally to wind up its business; and the charter or Act of incorporation of such bank, and any Acts in amendment thereof then in force, shall continue in force only for the purposes in this section specified. R.S., c. 12, s. 111.

RETURNS.

Monthly returns.

112. (1) The bank shall, within the first twenty-eight days of each month, transmit or deliver to the Minister a return in the form set forth in Schedule H to this Act: Provided, however, that the Governor in Council shall have power from time to time to make such amendments and additions to the said schedule *as he may deem expedient.*

What return shall show.

(2) Such return shall exhibit the condition of the bank on the last juridical day of the month last preceding.

When return last received may be used.

(3) Notwithstanding anything in this section, whenever, in the usual course of the post, the return of a branch or agency for the last juridical day of the month, mailed at the branch or agency on or before the second day of the following month, does not reach

(a) the chief office of the bank on or before the eighteenth day of the month; or

(b) the office of the general manager, if the office of the general manager is at a place other than the chief office of the bank, on or before the fifteenth day of the month

the return last received from any such branch, exhibiting as far as that branch is concerned the condition of the bank at the date for which it purports to be made, may be used in the preparation of the monthly return called for by this section.

Copy to Bank of Canada.

(4) After the date on which the Bank of Canada is authorized to commence business the bank shall transmit or deliver to the Bank of Canada a copy of the return required by subsection one hereof within the time prescribed thereby.

Special returns.

(5) The Minister may also call for other or special returns from any bank, and may require that the bank shall transmit or deliver such other or special returns at monthly or other prescribed periods, or whenever in his judgment they are necessary to afford a full and complete knowledge of its condition.

Within 30 days from demand.

(6) The Minister may prescribe the time within which such other or special returns shall be transmitted or delivered to him; but unless otherwise prescribed the time within which any monthly or other periodic return shall be transmitted or delivered, shall be the time allowed by this section for a monthly return: Provided that the Minister may extend the time for transmitting any special return for such further period, not exceeding thirty days, as he thinks expedient. R.S., c. 12, s. 112, am.

Return accompanied by declaration.

113. (1) Every return provided for or required under the last preceding section shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule H to this Act,

How signed.

and shall be signed by the chief accountant or by the acting chief accountant, and by the president, or a vice-president, or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the declaration is signed.

Names of directors, president and vice-president sent to Minister.

(2) *The bank shall within thirty days* after the annual general meeting *transmit or deliver* to the Minister *a return showing* the name and address of each director elected thereat *together with a list of the banks, firms, companies and corporations of which he is a director or partner*, and the names of the president and vice-presidents; and should

Vacancy.

any vacancy occur in the membership of the board of directors or in the office of president or vice-president, the *bank* shall forthwith *notify the Minister* of the name *and address* of the person by whom the vacancy has been filled *together with a list of the banks, firms, companies and corporations of which he is a director or partner.*

Notice to Minister of change of officers.

(3) If any change is made in the holder of the office of chief accountant or of general manager, the Minister shall forthwith be notified of the name of the person by whom the vacancy has been filled.

Return to show true position.

(4) Notwithstanding anything in the last preceding section contained it shall not, except as to the chief accountant or acting chief accountant of the bank, be sufficient for the purposes of any return provided for or required under the said section that such return agrees with the books of the bank, but the return shall set forth the true financial position of the bank on the last juridical day of the month last preceding the date of the return according to the latest information possessed by or reasonably available to the officers or any of them who sign the return.

Current loans not to include.

(5) For the purposes of any return provided for or required under the last preceding section, or for the purposes of any statement or balance sheet prepared and issued by a bank, there shall not be included amongst "current loans," any loan in respect of which

(a) the borrower has not for a period of two years preceding the date of such return, statement or balance sheet, paid the interest thereon at the rate agreed, in cash, unassisted by the bank;

(b) the bank has taken possession of the property or any part of the property covered by any security given by the borrower with the intention of realizing thereon, or has realized or taken any step or proceeding for the purpose of realizing upon any security given by the borrower;

(c) the bank has commenced an action at law to recover from the borrower the amount of the loan or any part thereof;

(d) the borrower has made an abandonment of his estate for the benefit of his creditors or any of them; or

(e) there is other cause, sufficient in the opinion of the manager of the branch of the bank where such loan is domiciled, or in the opinion of any director or officer of the bank who prepares, signs, approves or concurs in such return, statement or balance sheet, for deeming such loan not to be a current loan.

(6) Any loan falling within the last preceding subsection may be included amongst current loans if the directors declare that after due inquiry they have approved such loan as a current loan.

Controlled corporations.

(7) Whenever a bank carries on any part of its operations in the name of a corporation controlled by such bank, then such bank shall, for the purposes of any return required under the last preceding section, transmit or deliver therewith a separate return, showing the assets and liabilities of each such corporation, and the interest of the bank in such corporations shall be shown separately in any return respecting the affairs of the bank.

Amounts written off bank premises.

(8) Whenever a bank has appropriated out of its profits for any period, with the consent and approval of its shareholders had and obtained at any annual or special general meeting, any sum for the writing down of its bank premises or other assets, no portion of such sum so appropriated shall be again taken into account for the purposes of any return required under the last preceding section, or for the purposes of any statement prepared and issued by the bank, without the consent and approval of its shareholders, in like manner first had and obtained. R.S., c. 12, s. 113.

Annual returns of unpaid dividends and balances.

114. (1) The bank shall, within thirty days after the close of each calendar year, transmit or deliver to the Minister a return as at the end of such calendar year

(a) of all dividends which have remained unpaid for more than five years; and

(b) of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid, during the five years prior to the date of such return:

Provided that, in the case of moneys deposited for a fixed period, the said term of five years shall be reckoned from the date of the termination of such fixed period.

What return shall show.

(2) The return mentioned in the last preceding subsection shall set forth

(a) the name of each shareholder or creditor to whom such dividends, amounts or balances are, according to the books of the bank, payable;

(b) the last known address of each such shareholder or creditor;

(c) the amount due to each such shareholder or creditor;

(d) the branch or agency of the bank at which the last transaction took place;

(e) the date of such last transaction; and

(f) if such shareholder or creditor is known to the bank to be dead, the names and addresses of his legal representatives, so far as known to the bank.

Further annual return.

(3) The bank shall likewise, within thirty days after the close of each calendar year, transmit or deliver to the Minister a return of all certified cheques, drafts or bills of exchange, issued by the bank to any person, and remaining unpaid for more than five years prior to the date of such return, setting forth so far as known,

Particulars.

(a) the names of the persons to whom, or at whose request, such drafts, certified cheques, or bills of exchange were issued;

(b) the addresses of such persons;

(c) the names of the payees of such drafts or bills of exchange;

(d) the amounts and dates of such certified cheques, drafts or bills of exchange;

(e) the names of the places where such certified cheques, drafts or bills of exchange were payable; and

(f) the branches or agencies of the bank respectively from which such drafts, certified cheques, or bills of exchange were issued.

Amounts under five dollars.

(4) If a dividend, amount or balance, certified cheque draft, or bill of exchange is for a less sum than ten dollars and returns in respect thereof have been made under the preceding provisions of this section for two consecutive years, the bank may hereafter omit from the respective returns particulars required by the said provisions with regard to any such dividend, amount or balance, certified cheque, draft or bill of exchange.

Declarations and signatures.

(5) The returns required by the foregoing provisions of this section shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule J to this Act, and shall be signed by the chief accountant, and by the president or a vice-president or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the declaration is signed.

Notice that dividend draft or cheque remains unpaid.

(6) The bank shall transmit by registered post to the person to whom any such dividend, amount or balance is payable, and to the person to whom, in so far as known to the bank, and to the person at whose request any such draft, certified cheque or bill of exchange was issued, to the last known post office address of each person as shown by the books of the bank, a notice in writing stating that such dividend remains unpaid, or that in respect of such amount or balance no transaction has taken place or no interest has been paid, or that such draft, certified cheque or bill remains unpaid, as the case may be.

114. (4) The underlined word "ten" in the second line of this subsection is substituted for the word "five", and the underlined word "two" in the fourth line is substituted for the word "five". There is no other change.

When notice to be given.

(7) The notice called for by the next preceding subsection shall be given twice, namely, during the month of January next after the end of the first two-year period and also during the month of January next after the end of the first five-year period in respect of which

(a) the dividend has remained unpaid;

(b) no transaction has taken place or no interest has been paid in connection with such amount or balance; or

(c) the draft, certified cheque or bill has remained unpaid.

Certified annual return of shareholders transmitted to Minister.

(8) The bank shall, within thirty days after the close of each calendar year, transmit or deliver to the Minister a return of shareholders as at the end of such calendar year, certified by the general manager or other principal officer of the bank next in authority, in the management of the affairs of the bank at the time at which the return is certified, and by the officer of the bank in charge of the register of shareholders, to be a correct return and in accordance with the books of the bank with regard thereto.

Particulars.

(9) Such return shall show

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses;

(b) the number of shares then held by them respectively; and

(c) the amount, if any, remaining to be paid thereon.

Return of classification of loans.

(10) The bank shall once in each year transmit or deliver to the Minister a return of the aggregate amount of all loans made by the bank within Canada outstanding at a date to be specified by the Treasury Board, classified according to industries and businesses, and the Treasury Board may make such regulations as may be deemed necessary to give effect to the provisions of this subsection.

Return of classification of deposits.

(11) The bank shall once in each year transmit or deliver to the Minister a return of all deposits held by the bank in Canada at a date to be specified by the Treasury Board, classified according to amount and showing whether such deposits are payable on demand or after notice. The return shall also show the number and aggregate amount of deposits in each of the following classes:—

1. Deposits under $1,000.
2. Deposits over $1,000 to $5,000.
3. Deposits over $5,000 to $25,000.
4. Deposits over $25,000 to $100,000.
5. Deposits in excess of $100,000.

Laid before Parliament.

(12) The Minister shall lay such returns before Parliament at the next session thereof. R.S., c. 12, s. 114, am.

114. (8) The word "return" has been substituted for "list" to designate the information required by this subsection.

114. (9) *(a)*. The present paragraph reads as follows:—

"(9) Such list shall show

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses *and descriptions*;"

The last two words are omitted.

Paragraph (9) *(c)* reads at present:—

"*(c)* the amount paid thereon."

PAYMENTS TO THE MINISTER UPON WINDING-UP.

Unclaimed moneys paid to Minister on winding-up of bank.

115. (1) If, in the event of the winding-up of the business of the bank in insolvency, or under any general winding-up Act, or otherwise, any moneys payable by the liquidator, either to shareholders or depositors, remain unclaimed,

(a) for the period of three years from the date of suspension of payment by the bank;

(b) for a like period from the commencement of the winding-up of such business; or

(c) until the final winding-up of such business, if the business is finally wound up before the expiration of the said three years,

With interest.

such moneys and all interest thereon shall, notwithstanding any statute of limitations or other Act relating to prescription, be paid to the Minister, to be held by him subject to all rightful claims on behalf of any person other than the bank.

Governor in Council may order payment to person entitled.

(2) If a claim to any moneys so paid is thereafter established to the satisfaction of the Minister he may direct payment thereof to be made to the person entitled thereto, together with interest on the principal sum thereof, at the rate of three per centum per annum for a period not exceeding six years from the date of payment thereof to the Minister as aforesaid: Provided that no such interest shall be paid or payable on such principal sum unless interest thereon was payable by the bank paying the same to the Minister.

Interest.

Bank discharged.

(3) Upon payment to the Minister as herein provided, the bank and its assets shall be held to be discharged from further liability for the amounts so paid. R.S., c. 12, s. 115, am.

Circulation outstanding at distribution of assets.

116. (1) Upon the winding-up of a bank in insolvency or under any general winding-up Act, or otherwise, the assignees, liquidators, directors, or other officials in charge of such winding-up shall, before the final distribution of the assets, or within three years from the commencement of the suspension of payment by the bank, whichever shall first happen, pay over to the Minister a sum, out of the assets of the bank, equal to the difference between the amount then outstanding of the notes intended for circulation issued by the bank, together with any interest on such outstanding notes which may have accrued under section sixty-five of this Act, and the aggregate of the amount at the credit of the bank in the Circulation Fund and the amount, if any, paid to the Minister by the trustees under section sixty-one of this Act.

Bank relieved.

(2) Upon such payment being made, the bank and its assets shall be relieved from all further liability in respect of such outstanding notes.

Minister to redeem.

(3) The sum so paid shall be held by the Minister and applied for the purpose of redeeming, whenever presented,

115. (2) The first lines of the existing subsection read as follows:—

"(2) If a claim to any moneys so paid is thereafter established to the satisfaction of the *Treasury Board, the Governor in Council shall, on the report of the Treasury Board,* direct payment thereof to be made to the person entitled thereto."

such outstanding notes, without interest, except such as may have been paid over under this section. R.S., c. 12, s. 116.

CURATOR

Association to appoint curator.

117. The *Minister* shall, if a bank suspends payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, forthwith appoint *in writing* a curator to supervise the affairs of such bank.

Removal.

118. The *Minister* may at any time remove the curator and may appoint *in writing* another person to act in his stead. R.S., c. 12, s. 117, am.

Powers and duties of curator.

119. (1) The curator shall assume supervision of the affairs of the bank, and of all necessary arrangements for the payment of the notes of the bank issued for circulation, and, at the time of his appointment, outstanding and in circulation.

Generally.

(2) The curator shall generally have all powers and shall take all steps and do all things necessary or expedient to protect the rights and interests of the creditors and shareholders of the bank, and to conserve and ensure the proper disposition, according to law, of the assets of the bank; and, for the purposes of this section, he shall have free and full access to all books, accounts, documents and papers of the bank.

Supervision.

(3) The curator shall continue to supervise the affairs of the bank until he is removed from office, or until the bank resumes business, or until a liquidator is duly appointed to wind up the business of the bank. R.S., c. 12, s. 119.

Officers and clerks to assist curator.

120. The president, vice-president, directors, general manager, managers, clerks and officers of the bank shall give and afford to the curator all such information and assistance as he requires in the discharge of his duties. R.S., c. 12, s. 120.

No act of directors valid unless approved by curator.

121. No by-law, regulation, resolution or act, touching the affairs or management of the bank, passed, made or done by the directors during the time the curator is in charge of the bank, shall be of any force or effect until approved in writing by the curator. R.S., c. 12, s. 121.

Curator to make returns as required by Minister.

122. The curator, or liquidator shall make all returns and reports, and shall give all information to the Minister, touching the affairs of the bank, that the Minister requires of him. R.S., c. 12, s. 122.

Remuneration of curator.

123. The remuneration of the curator for his services, and his expenses and disbursements in connection with the discharge of his duties, shall be fixed and determined by a judge of a superior court in the province where the chief office of the bank is situate, and shall be paid out of the assets of the bank, and, in case of the winding-up of the

117. *The Committee have substituted the Minister for the Association in respect to the appointment and removal of the curator.*

bank, shall rank on the estate equally with the remuneration of the liquidator. R.S., c. 12, s. 123.

BY-LAWS OF THE CANADIAN BANKERS' ASSOCIATION.

By-laws.

124. (1) The Association may, at any meeting thereof, with the approval of two-thirds in number of the banks represented at such meeting, if the banks so approving have at least two-thirds in par value of the paid-up capital of the banks so represented, make by-laws, rules and regulations respecting

As to what subjects.

(a) the supervision of the making of the notes of the banks which are intended for circulation, and the delivery thereof to the banks;

(b) the inspection of the disposition made by the banks of such notes;

(c) the destruction of notes of the banks;

(d) the custody and management of the central gold reserves and the carrying out of the provisions of this Act relating to such reserves; and

(e) the imposition of penalties, *not exceeding the sum of one thousand dollars*, for the breach or non-observance of any by-law, rule or regulation made by virtue of this section.

Approved by Treasury Board.

(2) No such by-law, rule or regulation, and no amendment or repeal thereof, shall be of any force or effect until approved by the Treasury Board.

Enforcement of by-laws.

(3) The Association shall have all powers necessary to carry out, or to enforce the carrying out, of any by-law, rule or regulation, or any amendment thereof, so approved by the Treasury Board. R.S., c. 12, s. 124.

INSOLVENCY.

Liability of shareholders.

125. (1) In the event of the property and assets of the bank being insufficient to pay its debts and liabilities, each shareholder of the bank shall be liable for the deficiency to an amount equal to the par value of the shares held by him, in addition to any amount not paid up on such shares.

(2) On and from the day on which the Bank of Canada is authorized to commence business the liability of a shareholder of a bank under this section, in addition to any amount not paid up on his shares, shall not exceed that proportion of the par value of the shares held by him which the amount of notes which the bank is authorized by this Act to have in circulation in Canada bears to the paid-up capital of the bank.

"Shareholder" defined.

(3) "Shareholder," within the meaning of this section, shall include an undisclosed principal and, to the extent of his interest, a *cestui que trust*, on whose behalf or for whose benefit shares in the capital stock of the bank are held. R.S., c. 12, s. 125, am.

124. *The Committee have eliminated paragraph (a) of this section, as it stood in the existing Act, and have re-lettered the paragraphs. They also insert the words "not exceeding the sum of one thousand dollars" in paragraph (e). The existing paragraph (a) reads as follows:—*

"(a) all matters relating to the appointment or removal of the curator, and his powers and duties;"

125. (2) This subsection provides for a reduction in the double liability of shareholders in proportion to the withdrawal of the right of note issue under section 61.

The Committee have taken out the words "plus the amount of the notes of the bank issued and in circulation elsewhere than in Canada" after the word "Canada" in line 40.

Suspension for 90 days to constitute insolvency.

126. Any suspension by the bank of payment of any of its liabilities as they accrue, in specie or Dominion or Bank of Canada notes, shall, if it continues for ninety days consecutively, or at intervals within twelve consecutive months, constitute the bank insolvent, and work a forfeiture of its charter or Act of incorporation, so far as regards all further banking operations. R.S., c. 12, s. 126, am.

Charter to remain in force for calls and winding-up.

127. The charter or Act of incorporation of the bank shall, in the case mentioned in the next preceding section, remain in force only for the purpose of enabling the directors, or other lawful authority, to make and enforce the calls mentioned in the next following section of this Act, and to wind up the business of the bank. R.S., c. 12, s. 127.

If no proceedings within 3 months thereafter, directors to make calls

128. (1) If any suspension of payment in full, in specie or Dominion or Bank of Canada notes, of all or any of the notes or other liabilities of the bank, continues for three months after the expiration of the time which, under the two last preceding sections would constitute the bank insolvent, and if no proceedings are taken under any Act for the winding-up of the bank, the directors shall make calls on the shareholders thereof to the amount they deem necessary to pay all the debts and liabilities of the bank not exceeding the limit of liability of the shareholders hereinbefore specified, without waiting for the collection of any debts due to the bank or the sale of any of its assets or property.

Intervals

(2) Such calls shall be payable at intervals of thirty days.

Notice.

(3) Notice of such calls shall be given to the shareholders.

Number.

(4) Any number of such calls may be made by one resolution.

Amount.

(5) No such call shall exceed twenty per centum on each share.

Payment.

(6) Payment of such calls may be enforced in like manner as payment of calls on unpaid stock may be enforced.

First call.

(7) The first of such calls may be made within ten days after the expiration of the said three months.

Procedure.

(8) In the event of proceedings being taken under any Act for the winding-up of the bank in consequence of the insolvency of the bank, the said calls shall be made in the manner prescribed for the making of such calls in such Act.

Forfeiture for non-payment.

(9) Any failure on the part of any shareholder liable to any such call to pay the same when due shall work a forfeiture by such shareholder of all claim in or to any part of the assets of the bank: Provided that such call and any further call thereafter shall nevertheless be recoverable from him as if no such forfeiture had been incurred. R.S., c. 12, s. 128, am.

Proviso.

Liability of directors not diminished.

129. Nothing in the four sections last preceding shall be construed to alter or diminish the additional liabilities of the directors as herein mentioned and declared. R.S., c. 12, s. 129.

Liability of shareholders who have transferred their stock.

130. *(a)* Persons who, having been shareholders of the bank, have only transferred their shares, or any of them, to others, as hereinbefore provided, within sixty days before the commencement of the suspension of payment by the bank; and

Or whose subscriptions have been cancelled.

(b) Persons whose subscriptions to the stock of the bank have been forfeited, in manner hereinbefore provided, within the said period of sixty days before the commencement of the suspension of payment by the bank

shall be liable to all calls on the shares held or subscribed for by them, as if they held such shares at the time of such suspension of payment, saving their recourse against those by whom such shares were then actually held. R.S., c. 12, s. 130.

Order of charges.

Notes.

131. In the case of the insolvency of any bank

(a) the payment of the notes issued or reissued by such bank, intended for circulation, and then in circulation, together with any interest paid or payable thereon as hereinbefore provided, shall be the first charge upon the assets of the bank;

Dominion Government.

(b) the payment of any amount due to the Government of Canada, in trust or otherwise, shall be the second charge upon such assets;

Provincial governments.

(c) the payment of any amount due to the government of any of the provinces, in trust or otherwise, shall be the third charge upon such assets; and

Penalties.

(d) the amount of any penalties for which the bank is liable shall not form a charge upon the assets of the bank, until all other liabilities are paid. R.S., c. 12, s. 131.

OFFENCES AND PENALTIES.

Payments of Incorporation and Organization expenses.

Offences.

Payments of expenses prior to obtaining Treasury Board certificate.

132. (1) If prior to the time at which the certificate permitting the bank to issue notes and commence the business of banking has been obtained from the Treasury Board, any provisional director or director authorizes or is a party to the payment of, or receives, out of moneys paid in by subscribers or interest thereon, any sum for commission, salary or charges for services in connection with or arising out of the incorporation or organization of the bank, it shall be an offence against this Act.

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After certificate obtained.

(2) If after the certificate has been obtained from the Treasury Board, any director authorizes payment of, or any general manager or other officer of the bank pays or causes to be paid any money for or on account of the incorporation or organization expenses of the bank, except and unless the sum so paid is mentioned or included in the statement submitted to the Treasury Board at the time at which the application is made under this Act to the Board for a certificate permitting the bank to issue notes and commence the business of banking, it shall be an offence against this Act.

When no certificate obtained.

(3) If no certificate from the Treasury Board has been obtained within the time limited by this Act, it shall be an offence against this Act for any provisional director or director to authorize or be a party to the payment of, or to receive, out of moneys paid in by subscribers, any sum for commission, salary or charges for services in connection with or arising out of the incorporation or organization of the bank, unless provision had been made pursuant to section sixteen of this Act for payment. R.S., c. 12, s. 132.

Penalty for bank officers obtaining gifts or showing favour.

133. (1) Every one is guilty of an offence and liable, upon conviction on indictment, to two years' imprisonment, or to a fine not exceeding two thousand five hundred dollars, or to both, and, upon summary conviction, to imprisonment for six months, with or without hard labour, or to a fine not exceeding one hundred dollars, or both, who

(a) being a director, general manager, manager, or other executive officer of a bank, corruptly accepts or obtains, or agrees to accept or attempts to obtain, from any person for himself or for any other person, any gift or consideration as an inducement or reward for doing or forbearing to do, or for having done or forborne to do, any act relating to the bank's business or affairs, or for showing or forbearing to show favour or disfavour to any person with relation to the bank's business or affairs; or

Penalty for offering gifts or showing favour to bank officers.

(b) corruptly gives or agrees to give or offers any gift or consideration to any director, general manager, manager, or other executive officer of a bank as an inducement or reward or consideration to such director, general manager, manager, or other executive officer of the bank, for doing or forbearing to do, or for having done or forborne to do, any act relating to the bank's business or affairs, or for showing or forbearing to show favour or disfavour to any person with relation to the bank's business or affairs.

"Consideration" defined.

(2) In this section "consideration" includes valuable consideration of any kind. R.S., c. 12, s. 133, am.

133. *(a)* and *(b)* The words "after this Act comes into force" after the word "having" in the sixth and seventh line of the existing paragraph *(a)* and in the seventh line of existing paragraph *(b)* are omitted.

Commencement of Business

Commencing business without certificate.

134. Every director or provisional director of any bank and every other person who, before the obtaining of the certificate from the Treasury Board by this Act required, permitting the bank to issue notes or commence business, issues or authorizes the issue of any note of such bank, or transacts or authorizes the transaction of any business in connection with such bank, except such as is by this Act authorized to be transacted before the obtaining of such certificate, is guilty of an offence against this Act. R.S., c. 12, s. 134.

Sale and Transfer of Shares.

Offence.

135. Any person, whether principal, broker or agent, who wilfully sells or transfers or attempts to sell or transfer

Sale and transfer of shares contrary to requirements.

(a) any share or shares of the capital stock of any bank by a false number;

(b) any share or shares of which the person making such sale or transfer, or in whose name or on whose behalf the same is made, is not at the time of such sale, or attempted sale, the registered owner; or

(c) any share or shares, without the assent to such sale of the registered owner thereof

Offence.

is guilty of an offence against this Act. R.S., c. 12, s. 135.

Cash Reserves.

Penalty for cash reserve not held in prescribed notes.

136. Every bank which at any time holds in Dominion notes less than forty per centum of the cash reserves which it has in Canada shall incur a penalty of five hundred dollars for each such offence.

Repeal.

(2) This section shall be repealed on and from the date the Bank of Canada is authorized to commence business. R.S., c. 12, s. 136, am.

Issue and Circulation of Notes.

Excess of circulation.

137. If the total amount of the notes of the bank in circulation at any time exceeds the amount authorized by any statute, the bank shall,

(a) if the amount of such excess is not over one thousand dollars, incur a penalty equal to the amount of such excess;

(b) if the amount of such excess is over one thousand dollars, and not over twenty thousand dollars, incur a penalty of one thousand dollars;

136. This is consequent upon a similar provision in section 59.

137. The first three lines of this section at present read:—

"**137.** If the total amount of the notes of the bank in circulation at any time exceeds the amount authorized by *this Act and by the Finance Act,* the bank shall,"

The underlined word in the text of the Bill is substituted for the words in italics.

The proviso is added to modify the penalty for over-issue through accident or other uncontrollable cause.

(c) if the amount of such excess is over twenty thousand dollars, and not over one hundred thousand dollars, incur a penalty of ten thousand dollars;

(d) if the amount of such excess is over one hundred thousand dollars, and not over two hundred thousand dollars, incur a penalty of fifty thousand dollars; or

(e) if the amount of such excess is over two hundred thousand dollars, incur a penalty of one hundred thousand dollars;

Proviso.

Provided however that in any case where the amount of notes in circulation has exceeded the amount authorized, and it is established by the bank to the satisfaction of the Minister that such excess occurred despite reasonable precautions on the part of the bank and did not continue for a longer period than twenty days, the penalty may be at the rate of ten per centum per annum on the amount of such excess. R.S., c. 12, s. 137, am.

Unauthorized issue of notes for circulation.

138. (1) Every person, except a bank to which this Act applies, who issues or reissues, makes, draws or endorses any bill, bond, note, cheque or other instrument, intended to circulate as money, or to be used as a substitute for money, for any amount whatsoever, shall incur a penalty of four hundred dollars.

Penalty, recovery of.

(2) Such penalty shall be recoverable with costs in any court of competent jurisdiction by any person who sues for the same.

Appropriation.

(3) A moiety of such penalty shall belong to the person suing for the same, and the other moiety to His Majesty for the public uses of Canada.

Intention presumed.

(4) If any such instrument is made for the payment of a less sum than twenty dollars, and is payable either in form or in fact to the bearer thereof, or at sight, or on demand, or at less than thirty days thereafter, or is overdue, or is in any way calculated or designed for circulation, or as a substitute for money, the intention to pass the same as money shall be presumed unless such instrument is

Exceptions.

(a) a cheque on some chartered bank paid by the maker directly to his immediate creditor; or

(b) a promissory note, bill of exchange, bond or other undertaking for the payment of money made or delivered by the maker thereof to his immediate creditor; and

(c) not designed to circulate as money or as a substitute for money. R.S., c. 12, s. 138.

Defacements of notes.

139. (1) Every person who mutilates, cuts, tears or perforates with holes any Dominion or Bank of Canada or bank note, or who in any way defaces a Dominion or Bank

of Canada or bank note, whether by writing, printing, drawing or stamping thereon, or by attaching or affixing thereto anything in the nature or form of an advertisement shall, on summary conviction, be liable to a penalty not exceeding twenty dollars.

Penalty.

Issue by bank, of notes not disinfected or sterilized.

(2) Every officer, clerk and servant of a bank who, for the bank, reissues to the public any bank notes or Dominion or Bank of Canada notes which have not been disinfected and sterilized in accordance with the regulations made by the Treasury Board under the authority of this Act shall, on the information of any person, on summary conviction, be liable to a penalty not exceeding twenty dollars.

Penalty.

(3) In the event of the conviction of any officer, clerk or servant of a bank under this section, the bank shall thereby incur a penalty of fifty dollars. R.S., c. 12, s. 139, am.

Issuing notes during period of suspension.

140. *(a)* Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of the bank, issues or reissues, during any period of suspension of payment by the bank of its liabilities, any notes of the bank payable to bearer on demand, and intended for circulation, or authorizes or is concerned in any such issue or reissue; and

Or without authority of Treasury Board.

(b) if, after any such suspension, the bank resumes business without the consent in writing of the curator hereinbefore provided for, every person who being president, vice-president, director, general manager, manager, clerk or other officer of the bank issues or reissues, or authorizes or is concerned in the issue or reissue of any such notes before being thereunto authorized by the Treasury Board; and

And accepting such notes.

(c) every person who accepts, receives or takes, or authorizes or is concerned in the acceptance, receipt or taking of any such notes, knowing the same to have been so issued or reissued, from the bank, or from such president, vice-president, director, general manager, manager, clerk or other officer of the bank, in payment or part payment, or as security for the payment of any amount due or owing to such person by the bank,

Penalty.

is guilty of an indictable offence, and liable to imprisonment for a term not exceeding seven years, or to a fine not exceeding two thousand dollars, or to both. R.S., c. 12, s. 140.

Pledging of notes by officers of bank.

141. *(a)* Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of the bank, pledges, assigns, or hypothecates, or authorizes, or is concerned in the pledge, assignment or hypothecation of the notes of the bank, and,

Accepting.

(b) every person who accepts, receives or takes, or authorizes or is concerned in the acceptance or receipt or taking of such notes as a pledge, assignment or hypothecation,

Penalty.

shall be liable to a fine of not less than four hundred dollars and not more than two thousand dollars, or to imprisonment for not more than two years, or to both. R.S., c. 12, s. 141.

Issuing notes fraudulently.

142. *(a)* Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of a bank, with intent to defraud, issues or delivers, or authorizes or is concerned in the issue or delivery of notes of the bank intended for circulation and not then in circulation; and

Knowingly accepting.

(b) every person who, with knowledge of such intent, accepts, receives or takes, or authorizes or is concerned in the acceptance, receipt or taking of such notes,

Penalty.

shall be guilty of an indictable offence, and liable to imprisonment for a term not exceeding seven years, or to a fine not exceeding two thousand dollars, or to both. R.S., c. 12, s. 142.

Annual Statement and Auditors' Report.

Issue of annual statement without auditor's report.

143. If any copy of the statement or of the profit and loss account submitted under section fifty-three of this Act, which has not been signed as required by that section, is issued, circulated or published, or if any copy of such statement is issued, circulated or published without having a copy of the auditors' report attached thereto, the bank, and every director, general manager or other officer of the bank who is knowingly a party to the default, shall be

Penalty.

liable to a fine not exceeding two hundred and fifty dollars. R.S., c. 12, s. 143.

Inspection.

No loan or gratuity to be made by bank officials to inspector or his officers.

144. Any bank which, or any director, president, general manager or any officer of a bank who, directly or indirectly makes a loan or grant or gives any gratuity to the Inspector or any other person appointed or employed under section fifty-six of this Act, and the Inspector or any such person who accepts or receives, directly or indirectly, any such loan, grant or gratuity, commits an offence

Offence and penalty.

against this Act and is liable to the penalties hereinafter provided, so far as applicable, in addition to any punishment otherwise provided. 1924, c. 7, s. 1; R.S., c. 12, s. 144.

Secrecy.

145. The Inspector or any person appointed or employed under section fifty-six of this Act who discloses to any other person, except the Minister and the Deputy Minister of Finance, any information regarding a bank, its business or affairs, commits an offence against this Act. 1924, c. 7. s. 1; R.S., c. 12, s. 145.

Warehouse Receipts, Bills of Lading and other Securities.

Bank acquiring warehouse receipt or bill of lading.

146. If any bank, to secure the payment of any bill, note, debt or liability, acquires or holds

(a) any warehouse receipt or bill of lading; or

(b) any instrument such as is by this Act authorized to be taken by the bank to secure money lent,

(i) to any wholesale purchaser, or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers upon the security of such products;

(ii) to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise upon the security of the goods, wares and merchandise manufactured by such person, or procured for such manufacture;

(iii) to any farmer upon the security of threshed grain;

(iv) to any owner, tenant or occupier of land for the purchase of seed grain upon the security of any crop to be grown from such seed grain; or

(v) to any farmer or person engaged in stock raising upon the security of live stock,

such bank shall, unless

Except in certain cases.

(a) such bill, note, debt or liability is negotiated or contracted at the time of the acquisition by the bank of such warehouse receipt, bill of lading or security;

(b) such bill, note, debt or liability is negotiated or contracted upon the written promise or agreement that a warehouse receipt, bill of lading or security, as aforesaid, would be given to the bank; or

(c) the acquisition or holding by the bank of such warehouse receipt, bill of lading or security is otherwise authorized by this Act,

Penalty.

incur a penalty not exceeding five hundred dollars. R.S., c. 12, s. 146, am.

Non-compliance with requirements for sale.

147. If any debt or liability to the bank is secured by

(a) any warehouse receipt or bill of lading; or

(b) any other security such as is mentioned in the last preceding section,

and is not paid at maturity, such bank shall, if it sells the products, goods, wares and merchandise covered by such warehouse receipt, bill of lading or security, under the power

146. Second paragraph *(b)* at present reads:—

"*(b)* such bill, note, debt or liability is negotiated or contracted upon the written promise or agreement that *such* warehouse receipt, bill of lading or security would be given to the bank; or"

These changes as underlined are made consequent upon the changes in paragraph *(b)* of subsection (1) of section 90.

of sale conferred upon it by this Act, without complying with the provisions to which the exercise of such power of sale is, by this Act, made subject, incur a penalty not exceeding five hundred dollars. R.S., c. 12, s. 147, am.

Penalty.

Making false statements.

148. Every person is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years who wilfully makes any false statement

In warehouse receipt or bill of lading.

(a) in any warehouse receipt or bill of lading given under the authority of this Act to any bank;

In security upon products.

(b) in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers or to any farmer or person engaged in stock raising, whereby any such products or stock is assigned or transferred to the bank as security for the payment of such loan;

In security upon manufactures.

(c) in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise, whereby any of the goods, wares and merchandise manufactured by him, or procured for such manufacture, are transferred or assigned to the bank as security for the payment of such loan; or

In security upon grain.

(d) in any instrument given to any bank under the authority of this Act as security for any loan of money made by the bank to a farmer or to the owner, tenant or occupier of land whereby any grain is transferred or assigned to the bank as security for the payment of such loan. R.S., c. 12, s. 148, am.

Wilfully disposing of or withholding goods covered by security.

149. Every person who, having possession or control of any products, goods, wares and merchandise covered by any warehouse receipt or bill of lading or by any such security as in the last preceding section mentioned, and having knowledge of such receipt, bill of lading or security, without the consent of the bank in writing, and before the advance, bill, note, debt or liability thereby secured has been fully paid,

(a) wilfully alienates or parts with any such products, goods, wares or merchandise; or

(b) wilfully withholds from the bank possession of any such products, goods, wares and merchandise, upon demand, after default in payment of such advance, bill, note, debt or liability,

Penalty.

is guilty of an indictable offence, and liable to imprisonment for a term not exceeding two years. R.S., c. 12, s. 149, am.

148. *(b)* The existing paragraph reads as follows:—

"*(b)* in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, *or of any wholesale purchaser, or shipper of or dealer in live or dead stock or the products thereof,* or farmer or person engaged in stock raising, whereby any such products or stock is assigned or transferred to the bank as security for the payment of such loan;"

Bank not selling shares subject to privileged lien.

150. *(a)* If any bank having, by virtue of the provisions of this Act, a privileged lien for any debt or liability for any debt to the bank, on the shares of its own capital stock of the debtor or person liable, neglects to sell such shares within twelve months after such debt or liability has accrued and become payable; or

Or selling without notice.

(b) if any such bank sells any such shares without giving notice to the holder thereof of the intention of the bank to sell the same, by mailing such notice in the post office, postpaid, to the last known address of such holder, at least thirty days prior to such sale,

Penalty.

such bank shall incur, for each such offence, a penalty not exceeding five hundred dollars. R.S., c. 12, s. 150.

Prohibited Business.

Bank doing prohibited business.

151. (1) If any bank, except as authorized by this Act, either directly or indirectly,—

(a) deals in the buying or selling or bartering of goods, wares and merchandise, or engages or is engaged in any trade or business whatsoever;

(b) purchases, deals in, or lends money or makes advances upon the security or pledge of any share of its own capital stock, or of the capital stock of any bank *or of the Bank of Canada;*

(c) lends money or makes advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property, or of any ships or other vessels or upon the security of any goods, wares and merchandise;

(d) lends to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank without the approval of the directors, any amount or amounts exceeding in the aggregate one thousand dollars; or

(e) lends to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank any amount or amounts exceeding in the aggregate ten thousand dollars;

such bank shall incur a penalty not exceeding five hundred dollars.

(2) If any bank, either directly or indirectly lends money or makes advances in excess of five per centum of its paid-up capital to a director of the bank or to any *firm*, company or corporation in which the president, general manager or a director of the bank is a partner or shareholder, as the case may be, without the approval of two-thirds of the directors present at a regular meeting, or a meeting specially called for the purpose, of the board, such bank shall incur a penalty not exceeding *five thousand dollars.*

(2) Subsection (2) has reference to section 75 (2) *(f)*.

(3) *If any director of a bank is present or votes at a meeting of the board during the time when loans or advances to himself or any firm, company or corporation of which he is a partner or director are under consideration both the bank and such director shall incur penalties not exceeding five thousand dollars, and such director shall forthwith vacate his office of director and shall not be eligible for election as a director of a bank within a period of five years after the date of the said meeting of the board.*

(4) *(a) Any manager or other officer of a bank who acts as agent for any insurance company or for any person in the placing of insurance shall incur a penalty not exceeding five hundred dollars;*

(b) Any bank which exercises pressure upon any borrower to place insurance for the security of such bank in any particular insurance agency shall incur for each such offence a penalty not exceeding five hundred dollars.

Hypothecation of notes prohibited.

152. It shall be an offence against this Act for any director, officer, clerk or servant of the bank to pledge, assign or hypothecate the notes of the bank on behalf of the bank. R.S., c. 12, s. 152.

Payment of liabilities of bank after suspension.

153. If a bank suspends payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, then, so long as such suspension continues, it shall be an offence against this Act for any director, officer, clerk or servant of the bank who has knowledge of such suspension to pay or cause to be paid to any person any debt or liability of the bank unless with the consent of a curator or liquidator duly appointed. R.S., c. 12, s. 153, am.

Returns.

Bank not making monthly return.

154. Every bank which neglects to transmit or deliver to the Minister, within the first twenty-eight days of any month, any monthly return by this Act required to be made up and sent in within the said twenty-eight days, exhibiting the condition of the bank on the last juridical day of the month last preceding, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 154.

Penalty.

Neglecting return of notes in circulation.

155. Every bank which neglects to transmit or deliver to the Minister, within the first twenty-eight days after the last day of the month, a return showing the amount of its notes in circulation for each juridical day during the month last preceding and signed in the manner and by the persons

(3) Subsection (3) has reference to section 75 (3).

(4) Subsection (4) has reference to section 75 (4).

155. This section at present is as follows:—

"**155.** Every bank which neglects to transmit or deliver to the Minister, within the first thirty days after the last day of the month *in which any amount of its notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding,* a return showing the amount of its notes in circulation for each juridical day during such month, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day, after the expiration of such time, during which such neglect continues."

The words "in which any amount of its notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding" in the third, fourth and fifth lines, are omitted pursuant to the amendment to section 60 (19).

Penalty.

by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 155, am.

Neglecting return of value of property.

156. Every bank which neglects to transmit or deliver to the Minister during the month of January in each year a return showing in detail the fair market value of its real and immovable property held under section seventy-eight of this Act, together with the other information prescribed by the said section, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 156.

Penalty.

Neglecting semi-annual return.

157. Every bank which neglects to transmit or deliver to the Minister a semi-annual return as of the last juridical day of the months of June and December in each year, giving such particulars as may be prescribed by regulations made by the Treasury Board of the interest and discount rates charged by the bank, such returns to be made up and sent in within the first thirty days after the respective juridical days aforesaid, and signed by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 157, am.

Penalty.

Not making returns required by Minister.

158. Every bank which neglects to transmit or deliver to the Minister, within thirty days from the date of the demand therefor by the Minister, or, if such time is extended by the Minister, within such extended time, not exceeding thirty days, as the Minister may allow, any special return, signed in the manner and by the persons by this Act required, which under the provisions of this Act the Minister may, for the purpose of affording a full and complete knowledge of the condition of the bank, call for, shall incur a penalty of five hundred dollars for each and every day during which such neglect continues. R.S., c. 12, s. 158.

Penalty.

Bank not making annual returns of drafts and bills.

159. Every bank which neglects to transmit or deliver to the Minister, within thirty days after the close of any calendar year, a return, signed in the manner and by the persons and setting forth the particulars by this Act required in that behalf, of all certified cheques, drafts or bills of exchange issued by the bank to any person and remaining unpaid for more than five years prior to the date of such return, shall incur a penalty of fifty dollars for each and every day during which such neglect continues. R.S., c. 12, s. 159.

Penalty.

157. The underlined word "semi-annually" is substituted for the word "quarterly" pursuant to the amendment to section 91 (2).

Not returning annual list.

160. (1) Every bank which neglects to transmit or deliver to the Minister, within thirty days after the close of any calendar year, a certified return, as by this Act required, showing

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses;

(b) the number of shares then held by such shareholders respectively; and

(c) the amount, if any, remaining to be paid thereon,

Penalty.

shall incur a penalty of fifty dollars for each and every day during which such neglect continues. R.S., c. 12, s. 160, am.

Additional penalties.

(2) Every bank which neglects to transmit or deliver to the Minister, within the time prescribed by regulations of the Treasury Board, a certified return showing the aggregate amount of all loans made by the bank within Canada at a date to be specified by the Treasury Board, classified according to industries and businesses, shall incur a penalty of fifty dollars for each and every day during which such neglect continues.

(3) Every bank which neglects to transmit or deliver within thirty days after the annual general meeting a return showing the name and address of each director elected thereat, together with a list of the banks, firms, companies and corporations of which he is a director or partner, or which neglects to transmit or deliver within thirty days after the selection of a person to fill a vacancy in the membership of the board of directors or in the office of president or vice-president, a similar return respecting such person, shall incur a penalty of fifty dollars for each and every day during which such neglect continues.

Not making annual returns of dividends, balances, drafts and bills.

161. (1) Every bank which neglects to transmit or deliver to the Minister, within thirty days after the close of any calendar year, a return, signed in the manner and by the persons by this Act required, of all dividends which have remained unpaid for more than five years, and also of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid, during the five years prior to the date of such return, and also of all certified cheques, drafts or bills of exchange issued by the bank and remaining unpaid for more than five years prior to the date of such return, as required by the provisions of this Act in the several cases respectively mentioned, shall incur a penalty of fifty dollars for each and every day during which such neglect continues.

Penalty.

Period of 5 years.

(2) The said term of five years shall, in case of moneys deposited for a fixed period, be reckoned from the date of the termination of such fixed period. R.S., c. 12, s. 161.

160. *(a).* The words "and descriptions" after the words "post office addresses," at the end of this paragraph, are omitted pursuant to the amendment to section 114, (9) *(a).*

Date of posting return or list.

162. If any return mentioned in the last eight preceding sections is transmitted by post, the date appearing, by the post office stamp or mark upon the envelope or wrapper inclosing the return received by the Minister, as the date of deposit in the post office of the place at which the chief office of the bank was situated shall be taken *prima facie*, for the purpose of any of the said sections, to be the day upon which such return was transmitted to the Minister. R.S., c. 12, s. 162.

Making false or deceptive statement in account or return.

163. (1) Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who knowingly prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank containing any false or deceptive statement, or any return which does not set forth the true financial position of the bank including all the information required by section one hundred and thirteen of this Act, shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding five years.

Penalty.

Liability of officers.

(2) Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who negligently prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank containing any false or deceptive statement, or any return which does not set forth the true financial position of the bank including all the information required by section one hundred and thirteen of this Act, shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding three years. R.S., c. 12, s. 163.

Calls in the case of Suspension of Payment.

Director refusing to make calls on suspension of bank.

164. *(a)* If any suspension of payment in full, in specie or Dominion or Bank of Canada notes, of all or any of the notes or other liabilities of the bank continues for three months after the expiration of the time which, under the provisions of this Act, would constitute the bank insolvent; and

(b) if no proceedings are taken under any Act for the winding-up of the bank; and

(c) if any director of the bank refuses to make or enforce, or to concur in the making or enforcing of any call on the shareholders of the bank, to any amount which the directors deem necessary to pay all the debts and liabilities of the bank,

such director shall be guilty of an indictable offence, and liable

Penalty.

(a) to imprisonment for a term not exceeding two years; and

(b) personally for any damages suffered by any such default. R.S., c. 12, s. 164, am.

Undue Preference to the Bank's Creditors.

Officers giving undue preference to any creditor.

165. Every person who, being president, vice-president, director, general manager, manager or other officer of the bank, wilfully gives or concurs in giving to any creditor of the bank any fraudulent, undue or unfair preference over other creditors, by giving security to such creditor, or by changing the nature of his claim, or otherwise howsoever, is guilty of an indictable offence, and liable

Penalty.

(a) to imprisonment for a term not exceeding two years; and

Damages.

(b) for all damages sustained by any person in consequence of such preference. R.S., c. 12, s. 165.

Use of the Title "Bank," etc.

Unauthorized use of title "bank," etc.

166. (1) Every person using the word "bank" or the words "savings bank," "banking company," "banking house," "banking association," or "banking institution," or any word or words of import equivalent thereto in any foreign language, in a sign or in an advertisement, or in a title to represent or describe his business or any part of his business without being authorized so to do by this Act, or by some other Act in force in that behalf, is guilty of an offence against this Act.

Offence.

Unauthorized use of words "banker," "private banker."

(2) Every person who uses in a sign or in an advertisement or in a title to represent or describe his business words in a foreign language of import equivalent to the word "banker," or equivalent to the words "private banker," without being authorized so to do by this Act or by some other Act in force in that behalf, is guilty of an offence against this Act. R.S., c. 12, s. 166, am.

Offence.

166. (3) The existing subsection is omitted. It reads as follows:—

"(3) The Minister may, upon the application of any interested person, require that any person who receives money on deposit or receives money for transmission to a foreign country without being authorized so to do, either by or under the authority of a statute of Canada or any province thereof, shall make to the Minister in such form as the Minister may prescribe, a return respecting the business so carried on; or the Minister may direct an inquiry into such business and that a report be made to him thereon by any one whom he may select from the list of persons eligible to audit the affairs of a bank, or by any other person whom he may designate for that purpose; and the Minister may, after due consideration of such return or report, require that such business be discontinued, or that security be deposited as a condition of the continuance thereof, to such extent and in such manner as the public interest may seem to require; and failure to comply with such requirement, within such time as the Minister shall allow, shall be an offence against this Act; and if the offender be a body corporate, then every officer of such body corporate shall be guilty of such offence. R.S., c. 12, s. 166."

Penalty for Offence against this Act.

Offence against this Act. Penalty.

167. Every person committing an offence, declared to be an offence against this Act, shall, unless otherwise provided by this Act, be liable to a fine not exceeding one thousand dollars, or to imprisonment for a term not exceeding five years, or to both, in the discretion of the court before which the conviction is had. R.S., c. 12, s. 167.

PROCEDURE.

Penalties enforceable at suit of Attorney General or Minister.

168. (1) The amount of all penalties imposed upon a bank or person for any violation of this Act shall, unless otherwise provided by this Act, be recoverable and enforceable, with costs, at the suit of His Majesty instituted by the Attorney General of Canada, or by the Minister.

Appropriation.

(2) Such penalties shall, unless otherwise provided by this Act, belong to the Crown for the public uses of Canada:

Proviso.

Provided that the Governor in Council, on the report of the Treasury Board, may direct that any portion of any penalty be remitted, or paid to any person, or applied in any manner deemed best adapted to attain the objects of this Act, and to secure the due administration thereof. R.S., c. 12, s. 168.

R.S., c. 12 repealed.

169. Chapter twelve of the Revised Statutes of Canada, 1927, is repealed.

Commencement of Act.

170. This Act shall come into force on the first day of July, one thousand nine hundred and thirty-four.

SCHEDULE A.

(Section 4).

Name of Bank	Capital authorized	Chief Office of Bank
1. Bank of Montreal	$ 50,000,000	Montreal
2. The Bank of Nova Scotia	15,000,000	Halifax
3. The Bank of Toronto	10,000,000	Toronto
4. La Banque Provinciale du Canada	5,000,000	Montreal
5. The Canadian Bank of Commerce	50,000,000	Toronto
6. The Royal Bank of Canada	50,000,000	Montreal
7. The Dominion Bank	10,000,000	Toronto
8. Banque Canadienne Nationale	10,000,000	Montreal
9. Imperial Bank of Canada	10,000,000	Toronto
10. Barclays Bank (Canada)	500,000	Montreal

1932-33, c. 23.

SCHEDULE B.

(Section 9).

An Act to incorporate the————————Bank.

Whereas the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. [*Insert names of those applying for incorporation; the full name, address and description of each director must be given*], together with such persons as become shareholders in the corporation by this Act created, are incorporated under the name of [*insert name of bank*] hereinafter called "the Bank."

2. The persons named in section 1 of this Act shall be the provisional directors of the Bank.

3. The capital stock of the Bank shall be————dollars.

4. The chief office of the Bank shall be at————.

5. This Act shall, subject to the provisions of section sixteen of the Bank Act, remain in force until the first day of July, in the year one thousand nine hundred and forty-four.

R.S., c. 12, Sch. B, am.

SCHEDULE C.

(Section 88 (6)).

In consideration of an advance of————————dollars made by the————————Bank to A.B., for which the said Bank holds the following bills or notes: (*describe the bills or notes, if any*), [*or*, in consideration of the discounting of the following bills or notes by the————————Bank for A.B.; (*describe the bills or notes*),] the products of agriculture, the forest, quarry and mine, [or, the sea, lakes and rivers, *or*, the live stock or dead stock, *or*, the products thereof, *or* the goods, wares and merchandise, *or*, the grain, (*as the case may be*),] mentioned below are hereby assigned to the said Bank as security for the payment on or before the————————day of————————of the said advance, together with interest thereon at the rate of————per centum per annum from the————————day of———— [*or*, of the said bills or notes, or renewals thereof, or substitutions therefor, and interest thereon, *or as the case may be*].

This security is given under the provisions of section eighty-eight of the Bank Act, and is subject to the provisions of the said Act.

The said products of agriculture, the forest, quarry and mine, [*or*, the sea, lakes and rivers, *or*, the live stock or dead stock, or the products thereof, *or*, the goods, wares and merchandise, *or*, the grain, (*as the case may be*),] are now owned by————————, and are now in the possession of————————, and are free from any mortgage, lien or charge thereon (*or as the case may be*), and are in (*place or places where the goods are*), and are the following (*description of property assigned*).

Dated at————————

(*N.B.—The bills or notes and the property assigned may be set out in schedules annexed.*)

R.S., c. 12, Sch. C.

SCHEDULE D.

(Section 88 (9)).

In consideration of an advance of———————— dollars made by the————————Bank to A.B., for which the said bank holds the following bills or notes: (*describe the bills or notes, if any*) [*or*, in consideration of the discounting of the following bills or notes by the————————Bank for A. B.: (*describe the bills or notes*)] and inasmuch as the said advance [*or* the said discounting, *as the case may be*] was made on the representation that seed grain would be purchased with the advance [*or* proceeds of the discounting, *as the case may be*] and would be sown upon land in the province of————————situate and being———————— the seed grain purchased and the crop grown from the

grain so sown upon the land aforesaid and the grain threshed thereform are hereby assigned to the said Bank as security for the payment, on or before the———— day of ————, of the said advance, together with interest at the rate of————per centum per annum from the ————day of————[*or*, of the said bills or notes, or renewals thereof, or substitutions therefor, and interest thereon, *as the case may be*].

This security is given under the provisions of subsection eight of section eighty-eight of the Bank Act and is subject to the provisions of the said Act.

Dated at————.

R.S., c. 12, Sch. D.

SCHEDULE E.

(Section 88 (9)).

In consideration of an advance of————dollars made by the————Bank to A. B., for which the said bank holds the following bills or notes: *(describe the bills or notes, if any) (or*, in consideration of the discounting of the following bills or notes by the ————Bank for A. B.: *(describe the bills or notes))* and inasmuch as the said advance *(or* the said discounting, *as the case may be)* was made on the representation that binder twine would be purchased with the advance *(or* the proceeds of the discounting, *as the case may be)* and would be used in the harvesting of the crop grown by the borrower, such crop and grain threshed therefrom are hereby assigned to the said Bank, as security for the payment, on or before the————day of————of the said advance, together with interest at the rate of————per centum per annum from the————day of———— *(or*, of the said bills or notes, or renewals thereof, or substitutions therefor, and interest thereon, *as the case may be).*

This security is given under the provisions of subsection eight of section eighty-eight of the Bank Act and is subject to the provisions of the said Act.

Dated at————.

SCHEDULE F.

(Section 88 (14)).

In consideration of an advance of————dollars, made by the————Bank to A. B., for which the said Bank holds the following bills or notes (*describe the bills or notes, if any*) [*or*, in consideration of the discounting of the following bills or notes by the ————Bank for A. B. (*describe the bills or notes*)], and, inasmuch as the said advance (*or* the said discounting, *as the case may be*) is made upon the security of the following live stock:

Schedule E. This Schedule was added by the Committee in conformity with amendments made in Committee to subsections (8) and (9) of section 88.

the said live stock are hereby assigned to the said Bank as security for the payment, on or before the———— day of————————of the said advance together with interest at the rate of————————per centum per annum from the————day of———————— (*or*, of the said bills or notes or renewals thereof or substitutions therefor, and interest thereon, *as the case may be.*)

This security is given under the provisions of subsection twelve of section eighty-eight of the Bank Act, and is subject to the provisions of the said Act.

Dated at ————————.

R.S., c. 12, Sch. E.

SCHEDULE G.

(Section 88 (17)).

Notice of Intention.

To Whom it May Concern:

.....

(name of person, firm or company. P.O. address) hereby gives notice that it is————intention to give security under the authority of section eighty-eight of the Bank Act, to the————Bank————.

Dated at————this————day of————.

.....

R.S., c. 12, Sch. F.

SCHEDULE H

(Sections 112, 113).

Return of the liabilities and assets of the————Bank on the————day of————, 19—

Liabilities.

1. Notes in circulation.....$
2. Deposits by and balances due to Dominion Government.....
3. Deposits by and balances due to provincial governments.....
4. Advances under the *Finance Act* .....
5. Deposits by the public, payable on demand, in Canada.....
6. Deposits by the public, payable after notice or on a fixed day, in Canada.....
7. Deposits elsewhere than in Canada.....

Schedule G. The existing Schedule reads as follows:—

"SCHEDULE G.

Return of the liabilities and assets of the————Bank on the————day of————, 19——

Liabilities.

1. Notes in circulation.....$
2. Balance due to Dominion Government after deducting advances for credits, pay-lists, etc.....
3. Advances under the *Finance Act*.....
4. Balances due to provincial governments....
5. Deposits by the public, payable on demand in Canada.....
6. Deposits by the public, payable after notice or on a fixed day, in Canada.....
7. Deposits elsewhere than in Canada.....

8. Deposits by and balances due to other banks in Canada.....
9. Deposits by and balances due to banks and banking correspondents in the United Kingdom.....
10. Deposits by and balances due to banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
11. Loans from other banks in Canada, secured, including bills re-discounted.....
12. Bills payable.....
13. Letters of credit outstanding.....
14. Liabilities to the public not included under foregoing heads.....
15. Dividends declared and unpaid.....
16. Rest or Reserve Fund.....
17. Capital paid up.....

$

Assets.

1. Gold and coin..... { In Canada $ / Elsewhere
2. Dominion notes.....
3. Notes of other banks.....
4. United States and other foreign currencies..
5. Cheques on other banks.....
6. Deposits with and balances due by other banks in Canada.....
7. Due by banks and banking correspondents in the United Kingdom.....
8. Due by banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
9. Loans to other banks in Canada, secured, including bills re-discounted.....
10. Dominion and provincial government direct and guaranteed securities (maturing within two years), not exceeding market value..
11. Other Dominion and provincial government direct and guaranteed securities, not exceeding market value.....
12. Canadian municipal securities, not exceeding market value.....
13. Public securities other than Canadian, not exceeding market value.....
14. Other bonds, debentures and stocks, not exceeding market value.....

8. Loans from other banks in Canada, secured, including bills re-discounted.....
9. Deposits made by and balances due to other banks in Canada.....
10. Due to banks and banking correspondents in the United Kingdom.....
11. Due to banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
12. Bills payable.....
13. Letters of credit outstanding.....
14. Liabilities not included under foregoing heads.....
15. Dividends declared and unpaid.....
16. Rest or Reserve Fund.....
17. Capital paid up.....

	$

Assets.

1. Current gold and subsidiary coin.....	In Canada $		$
	Elsewhere $		
2. Dominion notes.....	*In Canada* $		$
	Elsewhere $		

3. Notes of other banks.....
4. United States and other foreign currencies.
5. Cheques on other banks.....
6. Loans to other banks in Canada, secured, including bills re-discounted.....
7. Deposits made with and balances due *from* other banks in Canada.....
8. Due *from* banks and banking correspondents in the United Kingdom.....
9. Due *from* banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
10. Dominion government and provincial government securities.....
11. Canadian municipal securities, *and British, foreign and colonial* public securities other than Canadian.....
12. *Railway and* other bonds, debentures and stocks.....
13. Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities of a sufficient marketable value to cover.....
14. Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities of a sufficient marketable value to cover...

15. Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....
16. Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....
17. Other current loans and discounts in Canada, estimated loss provided for.....
18. Other current loans and discounts elsewhere than in Canada, estimated loss provided for
19. Loans to the Government of Canada.....
20. Loans to provincial governments.....
21. Loans to cities, towns, municipalities and school districts.....
22. Non-current loans, estimated loss provided for.....
23. Real estate other than bank premises.....
24. Mortgages on real estate sold by the bank .
25. Bank premises, at not more than cost, less amounts (if any) written off.....
26. Liabilities of customers under letters of credit as per contra.....
27. Deposit with the Minister of Finance for the security of note circulation.....
28. Deposit in the central gold reserves.....
29. Shares of and loans to controlled companies
30. Other assets not included under the foregoing heads.....

$

Capital authorized.....$
Capital subscribed.....
Rate per annum of last dividend declared... per centum
Aggregate amount of loans to directors and firms of which they are partners, and loans for which they are guarantors, $————
Average amount of gold and coin held during the month, $————
Average amount of Dominion notes held during the month, $————
Greatest amount of notes of the bank in circulation at any time during the month, $————

Branch and Agency returns used in the preparation of the foregoing and antedating the last juridical day of the month aforesaid are as follows:—

15. Other current loans and discounts in Canada.
16. Other current loans and discounts elsewhere than in Canada after making full provision for bad and doubtful debts.....
17. Loans to the Government of Canada.....
18. Loans to provincial governments.....
19. Loans to cities, towns, municipalities and school districts.....
20. Non-current loans, estimated loss provided for.....
21. Real estate other than bank premises.....
22. Mortgages on real estate sold by the bank.
23. Bank premises, at not more than cost, less amounts (if any) written off.....
24. Liabilities of customers under letters of credit as per contra.....
25. Deposit with the Minister of Finance for the security of note circulation.....
26. Deposit in the central gold reserves.....
27. Shares of and loans to controlled companies.
28. Other assets not included under the foregoing heads.....

$

Capital authorized.....$

Capital subscribed.....

Rate per cent of last dividend declared..... per cent

Aggregate amount of loans to directors and firms of which they are partners, and loans for which they are guarantors, $————

Average amount of current gold and subsidiary coin held during the month, $————

Average amount of Dominion notes held during the month, $————

Greatest amount of notes of the bank in circulation at any time during the month, $————

Branch and Agency returns used in the preparation of the foregoing and antedating the last juridical day of the month aforesaid are as follows:—"

Branch or Agency.	*Date of such return.*

I declare that the above return is correct according to the books of the bank.

E.F.,
Chief Accountant, (or Acting Chief Accountant, *as the case may be*).

We declare that the foregoing return is to the best of our knowledge and belief correct, and shows truly and clearly the financial position of the bank, as required by sections one hundred and twelve and one hundred and thirteen of the *Bank Act;* and we further declare that the Bank has never, at any time during the period to which the said return relates, held in Dominion notes less than forty per centum of the cash reserves which it has in Canada.

(Place).....this.....day of.....19...

A.B.,
President, (Vice-President, or Director acting as President, *as the case may be*).

C.D.,
General Manager, (or other principal officer, *as the case may be*).

R.S., c. 12, Sch. G, am.

SCHEDULE I

(Section 60 (20)).

Return of the————————Bank————————showing the amount of its notes in circulation for each juridical day during the month of————————, 19—.

Day of the Month.	Paid-up Capital.	*Reserve Fund.	Deposit Gold Coin and Dominion Notes	Circulation.	Excess (if any).

**N.B.—Returns for the months of March to August, inclusive, need not have the Reserve Fund column.*

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E. F.,
Chief Accountant, (or Acting Chief Accountant, *as the case may be*).

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

(Place).....this.....day of.....19—

A. B.,
President, (Vice-President, *or* Director acting as President, *as the case may be*).

C. D.,
General Manager, (*or* other principal officer, *as the case may be*).

R.S., c. 12, Sch. H.

SCHEDULE J.

(Section 114 (5)).

Return of unpaid dividends, balances and amounts, certified cheques, drafts and bills of exchange of the——— Bank at the close of the calendar year 19—, made in accordance with the provisions of subsections one to five, inclusive, of section one hundred and fourteen of the Bank Act.

.....

.....

.....

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E. F.,
Chief Accountant, (*or* Acting Chief Accountant, *as the case may be*).

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

(Place).....this.....day of.....19..

A. B.,
President, (Vice-President, *or* Director acting as President, *as the case may be*).

C. D.,
General Manager, (*or* other principal officer, *as the case may be.*)

R.S., c. 12, Sch. I.

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 18.

An Act respecting Banks and Banking.

AS PASSED BY THE HOUSE OF COMMONS,
11th JUNE, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
72570 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 18.

An Act respecting Banks and Banking

(All new matter is underlined, and omissions are shown on the opposite page)

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE.

Short title.

1. This Act may be cited as *The Bank Act.* R.S., c. 12, s. 1.

INTERPRETATION.

Definitions.

2. In this Act, unless the context otherwise requires,

"Association."

(a) " Association " means The Canadian Bankers' Association, incorporated by chapter 93 of the statutes of 1900, intituled *An Act to incorporate The Canadian Bankers' Association;*

"Bank."

(b) " bank " means any bank to which this Act applies but does not refer to the Bank of Canada;

"Bill of lading."

(c) " bill of lading " includes all receipts for goods, wares or merchandise, accompanied by an undertaking to transport the same from the place where they were received to some other place, by any mode of carriage whatever;

"Circulation Fund."

(d) "Circulation Fund" means the fund heretofore established and continued by the authority of this Act under the name of the Bank Circulation Redemption Fund;

"Curator."

(e) "Curator" means any person appointed under the authority of this Act to supervise the affairs of any bank which has suspended payment in specie or Dominion notes or Bank of Canada notes of any of its liabilities as they accrue;

"Farmer."

(f) "farmer" includes the owner, occupier, landlord and tenant of a farm;

Explanatory Notes.

In this Bill changes proposed by the Committee are indicated by italics where the amendment is brief, and by vertical lines at the side of new paragraphs or sections. Omissions are shown by explanatory notes on the opposite page.

(e) The words *"by the Canadian Bankers' Association"* are deleted by the Committee as the Minister is to appoint the curator under the amended provisions of section 117.

"Goods, wares and merchandise."

(*g*) "goods, wares and merchandise" includes, in addition to the things usually understood thereby, products of agriculture, products of the forest, products of the quarry and mine, products of the sea, lakes and rivers, and other articles of commerce;

"Grain."

(*h*) "grain" includes wheat, oats, barley, rye, corn, buckwheat and flax;

"Inspector."

(*i*) "Inspector" means the Inspector General of Banks appointed under section fifty-six of this Act;

"Manufacturer."

(*j*) "manufacturer" includes manufacturers of logs, timber or lumber, maltsters, distillers, brewers, refiners and producers of petroleum, tanners, curers, packers, canners of meat, pork, fish, fruit or vegetables, and any person who produces by hand, art, process or mechanical means any goods, wares or merchandise;

"Minister."

(*k*) "Minister" means the Minister of Finance and Receiver General;

"President."

(*l*) "president" does not include an honorary president;

"Products of agriculture."

(*m*) "products of agriculture" in addition to the direct products of the soil such as hay, grain, roots, vegetables, fruits and other crops, includes milk, cream, butter, cheese, honey, *maple products*, poultry (dead), and eggs, hides, skins and wool, and dried, canned and preserved vegetables and fruits, live stock or dead stock and the products thereof; and "live stock" for the purposes of this Act *includes* horses and mares, bulls, cows, oxen, bullocks, steers, heifers and calves, sheep and swine and the offspring of any of such animals;

"Products of the forest."

(*n*) "products of the forest" includes bark, logs, pulpwood, piling, spars, railway ties, poles, mining and all other timber, shingles, laths, deals, boards, staves and all other lumber, and the skins and furs of wild animals;

"Products of the quarry and mine."

(*o*) "products of the quarry and mine" includes stone, clay, sand, gravel, metals, metallic ores, coal, salt, precious stones, petroleum, crude oil, and all minerals, whether obtained by excavation or otherwise, and the products of any of them;

"Products of the sea, lakes and rivers."

(*p*) "products of the sea, lakes and rivers" includes, in addition to fish of all kinds, whether fresh, frozen, salted, dried, canned, preserved in oil or otherwise preserved, whales and seals, their oil, skins and bone, oysters, lobsters and other crustaceans, fresh and canned or otherwise preserved;

"Trustees."

"Trustee."

(*q*) "trustees" means the persons appointed by the Association and by the Minister to receive and hold the central gold reserves, and "trustee" means any one of the trustees, and if one or more of the trustees is a corporation then "trustee" includes each of the officers of such corporation who is responsible for any action taken by the corporation for the purposes of this Act;

(g) The words "petroleum and crude oil" are omitted inasmuch as the expression "products of the quarry and mine" is to be defined in a new paragraph of this section lettered *(o)*, as hereinafter set out, and the new definition will include the words "petroleum and crude oil".

(m) This definition has been enlarged to include "live stock" heretofore defined in section 88 (13).

The words "*maple products*" are inserted by the Committee after the word "honey" in the fourth line. The word "*includes*" replaces the word "*means*" in the eighth line.

(o) In the 1913 revision, section 2 defined "products of agriculture", "products of the forest" and "products of the sea, lakes and rivers", while no definition was made of "products of the quarry and mine". That omission is remedied by the new paragraph lettered *(o)*.

By this definition the products of petroleum and crude oil, the manufacture of which in recent years has become greatly extended in Canada and the products themselves increasingly important as articles of commerce, will be made eligible both for manufacturers and wholesalers as the basis for credits. At present, while petroleum and crude oil are the basis for advances to wholesale manufacturers, it is doubtful if the products of these articles—gasolene, crude oil, asphalt, wax, fuel oil, and other distillates—while in the possession of the manufacturing refiner, can be regarded as available for security under the provisions of the Act, because these products are not included in the definition of "goods, wares and merchandise", while other classes of products are expressly included.

In the case of wholesale purchasers or dealers, no advances can be made against either petroleum or crude oil or their products, owing to the inference to be drawn from the definition in 2 *(g)* that "petroleum and crude oil" are not "products of the quarry and mine" as they are mentioned specially in *(g)* apart from such products. The proposed amendment will make these articles available to the borrower as security for advances.

"Warehouse receipt."

(r) "warehouse receipt" includes

(i) any receipt given by any person for any goods, wares or merchandise in his actual, visible and continued possession as bailee thereof in good faith and not as of his own property, and

(ii) receipts given by any person who is the owner or keeper of a harbour, cove, pond, wharf, yard, warehouse, shed, storehouse or other place for the storage of goods, wares or merchandise, for goods, wares and merchandise delivered to him as bailee, and actually in the place or in one or more of the places owned or kept by him, whether such person is engaged in other business or not, and

(iii) receipts given by any person in charge of logs or timber in transit from timber limits or other lands to the place of destination of such logs or timber, and

(iv) Lake Shippers Clearance Association receipts and all documents recognized by *The Canada Grain Act* as warehouse receipts. R.S., c. 12, s. 2, am.

Public notice, how given.

3. (1) Where by this Act any public notice is required to be given the notice shall, unless otherwise specified, be given by advertisement

(a) in one or more newspapers published at the place where the chief office of the bank is situate; and

(b) in the *Canada Gazette*.

Sufficiency of publication.

(2) When by this Act a notice is required to be published in a newspaper for four weeks or any longer period, publication each week in a weekly newspaper, or once a week during the period in a newspaper published more frequently, shall be a sufficient publication for the purposes of this Act.

Notice of call.

(3) When by this Act notice of any call is required to be given to the shareholders the notice shall, unless otherwise specified, be sufficiently given by mailing the notice in the post office, registered and post paid, to the last known post office address of the respective shareholders as shown by the records of the bank, at least thirty days prior to the day on which the call is payable. R.S., c. 12, s. 3.

APPLICATION.

General.

To what banks this Act applies.

4. The provisions of this Act apply to the several banks enumerated in Schedule A to this Act, and to every bank incorporated after the first day of January, one thousand nine hundred and thirty-four, whether this Act is specially mentioned in its Act of incorporation or not, but not to any other bank except as hereinafter specially provided, nor to the Bank of Canada, except as hereinafter specially provided. R.S., c. 12, s. 4, am.

4. The underlining from "*any*" to "*provided*" inclusive, in lines 44 and 45 is deleted.

Bank charters continued to July 1st, 1944, as to some particulars.

5. (1) Each of the several banks under the name mentioned in Schedule A to this Act is, and shall continue to be, a body politic and corporate until the first day of July, one thousand nine hundred and forty-four, and this Act shall form and be the charter of each of the said banks until the first day of July aforesaid.

Chief office and capital.

(2) The chief office of each bank, and, subject to the provisions of this Act with regard to increase or decrease, the amount of its authorized capital stock, divided into shares of one hundred dollars each, shall be as set out in Schedule A to this Act.

As to other particulars.

(3) As to all other particulars this Act shall form and be the charter of each of the said banks until the first day of July, one thousand nine hundred and forty-four. R.S., c. 12, s. 5, am.

Forfeited or void charters not continued.

6. Nothing in the next preceding section shall be deemed to continue in force any charter or Act of incorporation, if, or in so far as it is, under the terms thereof, or under the terms of this Act or of any other Act passed or to be passed, forfeited or rendered void by reason of the non-performance of the conditions of such charter or Act of incorporation, or by reason of insolvency, or for any other reason. R.S., c. 12, s. 6.

Act continues to apply for purposes of winding-up.

7. (1) The provisions of this Act shall continue to apply to the banks named in Schedule A to chapter nine of the Acts of the year one thousand nine hundred and thirteen, intituled *An Act respecting Banks and Banking*, and not named in Schedule A to this Act, but only in so far as may be necessary to wind up the business of the said banks respectively.

(2) The charters or Acts of incorporation of the said banks, and any Acts in amendment thereof, or any Acts in relation to the said banks now in force, shall respectively continue in force for the purposes of winding up, and for such purposes only. R.S., c. 12, s. 7.

INCORPORATION AND ORGANIZATION OF BANKS

Particulars of Act of incorporation.

8. The capital stock of every bank, the name of the bank, the place where its chief office is to be situated, and the names of the provisional directors, shall be declared in the Act of incorporation of every such bank respectively. R.S., c. 12, s. 8.

Form thereof.

9. An Act of incorporation of a bank in the form set forth in Schedule B to this Act shall be construed to confer upon the bank thereby incorporated all the powers, privileges and immunities, and to subject it to all the liabilities and provisions set forth in this Act. R.S., c. 12, s. 9.

5. By chapter 23 of the Statutes of 1932-33, the charters of the Banks were continued in force until the first day of July, 1934.

7. This section remains the same as in the existing Act. The year "one thousand nine hundred and thirteen" is retained to provide for the completion of any winding-up that may be necessary in connection with the Sovereign Bank of Canada, the Bank of Vancouver and the Home Bank of Canada.

Capital stock and shares.

10. The capital stock of any bank shall not be less than five hundred thousand dollars, and shall be divided into shares of one hundred dollars each. R.S., c. 12, s. 10.

Provisional directors.

11. (1) The number of provisional directors shall be not less than five.

Qualification.

(2) A provisional director shall not be eligible to act as such unless he is a *bona fide* subscriber of stock of the bank for and on his own behalf, so as to become the absolute and sole owner in his individual right of such stock, and not as trustee or in the right of another, on which subscription not less than

(a) three thousand dollars have been paid up, when the paid-up capital stock of the bank is one million dollars or less;

(b) four thousand dollars have been paid up, when the paid-up capital stock of the bank is over one million dollars and does not exceed three million dollars;

(c) five thousand dollars have been paid up, when the paid-up capital stock of the bank exceeds three million dollars.

Tenure of office.

(3) The provisional directors shall hold office until directors are elected by the subscribers to the stock, as hereinafter provided. R.S., c. 12, s. 11.

Opening of stock books.

12. (1) For the purpose of organizing the bank, the provisional directors may, after giving ten days' public notice thereof, cause stock books to be opened, in which shall be recorded the subscriptions of such persons as desire to become shareholders in the bank.

Where.

(2) The stock books shall be opened at the place where the chief office of the bank is to be situated, and elsewhere in the discretion of the provisional directors.

Particulars entered.

(3) Each subscriber shall, at the time of subscription, give his post office address, and description, and these particulars shall appear in the stock books in connection with the name of the subscriber and the number of shares subscribed for.

Notice of double liability.

(4) There shall be printed in small pica type, or type of larger size, on each page in the stock books upon which subscriptions are recorded, and on every document constituting or authorizing a subscription, on a part of the page and document, respectively, which may be readily seen by the person recording the subscription, or by the person signing the document, a copy of section one hundred and twenty-five of this Act.

Time stock books open.

(5) The stock books may be kept open for such time as the provisional directors deem necessary.

Recovery of unpaid subscriptions.

(6) In case of the non-payment of any instalment or other sum payable by a subscriber on account of his subscription, the provisional directors may, in the corporate name of the bank, sue for, recover, collect and get in any such instalment or sum. R.S., c. 12, s. 12.

First meeting of subscribers.

13. (1) Whenever a sum not less than five hundred thousand dollars of the capital stock of the bank has been *bona fide* subscribed, and payments in money on account thereof have been made by the subscribers, the total of such payments making a sum not less than two hundred and fifty thousand dollars, and as soon thereafter as the provisional directors have paid thereout to the Minister the sum of two hundred and fifty thousand dollars, the provisional directors may, by public notice published for at least four weeks, and by notice with postage prepaid mailed to the last known address of each subscriber at least ten days prior to the date of such meeting, call a meeting of the subscribers to the said stock, to be held in the place named in the Act of incorporation as the chief office of the bank, at such time and at such place as is set forth in the said notice.

What is a *bona fide* subscription.

(2) For the purposes of the foregoing subsection no subscription shall be deemed to have been made *bona fide* or be complete unless and until payment in money equal to at least ten per centum of the amount subscribed has been made on account of such subscription by the subscriber, and such payment, with the date thereof, shall be entered on the stock books opposite to such subscription.

Business at meeting.

(3) The subscribers shall, at such meeting,

(a) determine the day upon which the annual general meeting of the bank is to be held;

(b) elect such number of directors, duly qualified under this Act, not less than five, as they think necessary, and

(c) provide for the method of filling vacancies in the board of directors until the annual general meeting.

Tenure of directors.

(4) Such directors shall hold office until the annual general meeting next succeeding their election.

Provisional directors cease.

(5) Upon the election of directors as aforesaid the functions of the provisional directors shall cease. R.S., c. 12, s. 13.

Permission to commence business.

14. (1) The bank shall not issue notes or commence the business of banking until it has obtained from the Treasury Board a certificate permitting it so to do.

No certificate until directors elected.

(2) No application for such certificate shall be made until directors have been elected by the subscribers to the stock in the manner hereinbefore required. R.S., c. 12, s. 14.

Statement of payments by provisional directors.

15. (1) At the time of the application for the certificate, there shall be submitted to the Treasury Board a sworn statement setting forth the several sums of money paid in connection with the incorporation and organization of the bank, and such statement shall, in addition, include a list of all the unpaid liabilities, if any, in connection with or arising out of such incorporation and organization.

To what limited.

(2) Prior to the time at which the certificate is given no payments on account of incorporation and organization expenses shall be made out of moneys paid in by subscribers

except reasonable sums for the payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any.

When certificate may be granted.

(3) No certificate shall be given by the Treasury Board until it has been shown to the satisfaction of the Board, by affidavit or otherwise, that all the requirements of this Act and of the special Act of incorporation of the bank, as to the subscriptions to the capital stock, the payment of money by subscribers on account of their subscriptions, the payment required to be made to the Minister, the election of directors, deposit for security of note issue, or other preliminaries, have been complied with, and that the sum so paid is then held by the Minister, and unless it appears to the Board that the expenses of incorporation and organization are reasonable.

Within one year.

(4) No such certificate shall be given except within one year from the passing of the Act of incorporation of the bank applying for the said certificate. R.S., c. 12, s. 15.

If certificate not granted, powers to cease.

16. (1) If the bank does not obtain a certificate from the Treasury Board within one year from the time of the passing of its Act of incorporation, all the rights, powers and privileges conferred on the bank by its Act of incorporation shall thereupon cease and determine, and be of no force or effect whatever.

Ordinary disbursements allowed, but other expenses subject to resolution.

(2) If stock books have been opened and subscriptions in whole or in part paid, but no certificate from the Treasury Board obtained within the time limited by the preceding subsection, no part of the money so paid, or accrued interest thereon, shall be disbursed for commissions, salaries, charges for services or for other purposes, except a reasonable amount for payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any, unless it is so provided by resolution of the subscribers at a meeting convened after notice, at which the greater part of the money so paid is represented by subscribers or by proxies of subscribers; and each subscriber shall be entitled at such a meeting to one vote for each ten dollars paid on account of his subscription.

Application to court to settle amount of disbursements.

(3) If the amount allowed by such resolution for commissions, salaries or charges for services be deemed insufficient by the provisional directors, or directors elected in the manner hereinbefore provided, as the case may be, or if no resolution for such purpose be passed after a meeting has been duly called, then the provisional directors, or directors elected as aforesaid, may apply to a judge of any superior or county court having jurisdiction where the chief office of the bank is fixed by its Act of incorporation, to settle and determine all charges and the reasonableness of the amount of the disbursements already made to which

such money and interest, if any, shall be subject, before distribution of the balance to the subscribers.

Notice of meeting and application to court, with statement.

(4) Notice of the meeting and notice of the application respectively referred to in the next preceding subsections shall be given by mailing the notice in the post office, registered and post paid, at least twenty-one days prior to the date fixed for such meeting or the hearing of such application, to the several subscribers to their respective post office addresses as contained in the stock books; and each of such notices shall contain a statement, in summary form, of the several amounts for commissions, salaries, charges for services and disbursements which it is proposed shall be provided by resolution for payment, or settled and determined by a judge, as the case may be.

Voting.

(5) Votes of subscribers may be given at such meeting by proxy, the holder of such proxy to be a subscriber, and subscribers may be heard either in person or by counsel on such application.

Ratio payable by subscribers.

(6) In order that the sums paid and payable under the provisions of this section may be equitably borne by the subscribers, the provisional directors or the directors, as the case may be, shall, after the amount of such sums is ascertained as herein provided, fix the proportionate part thereof chargeable to each subscriber at the ratio of the number of shares in respect of which he is a subscriber to the total number of shares *bona fide* subscribed.

Payment of excess.

(7) The respective amounts so fixed shall, before return to the subscriber of the sums paid in by him, be deducted therefrom, and if the respective sums paid in are not as much as the amounts so fixed, then the excess in each case shall be payable forthwith by the subscriber to the provisional directors or the directors, as the case may be.

Deductions.

(8) The total of the amounts in excess mentioned in the next preceding subsection which the provisional directors or the directors are unable to get in or collect in what seems to them a reasonable time shall, with any legal costs incurred, be deducted by them from the sums then remaining in their hands to the credit of the several subscribers in the ratio hereinbefore mentioned, the shares in respect of which no such collections have been made being eliminated from the basis of calculation.

Return of excess to subscribers.

(9) The provisional directors or directors, after payment by them of the sums payable under this section, shall return to the subscribers, with any interim interest accretions, the respective balances of the moneys paid in by the subscribers. R.S., c. 12, s. 16.

Deposit, how disposed of if certificate granted.

17. (1) Upon the issue of the certificate in manner hereinbefore provided, the Minister shall forthwith pay to the bank the amount of money so deposited with him as aforesaid, without interest, after deducting therefrom the sum of five thousand dollars required to be deposited under the

provisions of this Act for the securing of the notes issued by the bank.

If certificate not granted.

(2) In case no certificate is issued by the Treasury Board within the time limited for the issue thereof, the amount so deposited shall be returned to the bank for distribution in the manner provided by this Act.

Minister not bound.

(3) In no case shall the Minister be under any obligation to see to the proper application in any way of the amount so returned. R.S., c. 12, s. 17.

INTERNAL REGULATIONS.

Regulation by by-law.

18. (1) The shareholders of the bank may, at any annual general meeting or at any special general meeting duly called for the purpose, regulate, by by-law, the following matters incident to the management and administration of the affairs of the bank, that is to say:—

(a) the day upon which the annual general meeting of the shareholders for the election of directors shall be held;

(b) the record to be kept of proxies, and the time, not exceeding twenty days, within which proxies must be produced and recorded prior to a meeting in order to entitle the holder to vote thereon;

(c) the number of the directors, which shall be not less than five, and the quorum thereof, which shall be not less than three;

(d) the qualifications of directors, subject to the provisions hereinafter contained;

(e) the method of filling vacancies in the board of directors, whenever the same occur during each year;

(f) the time and proceedings for the election of directors in case of a failure of any election on the day appointed for it;

(g) the remuneration of the president, vice-president and other directors; and,

(h) subject to the provisions of this Act, the amount of discounts or loans which may be made to directors, either jointly or severally, or to any one firm or person, or to any shareholder, or to corporations.

Copy of by-laws to be sent to shareholders.

(2) A copy of the by-laws in force on the first day of July, one thousand nine hundred and thirty-eight, in respect of the several matters hereinbefore in this section set out, together with a copy of this section of the Act, shall, before the thirty-first day of December, one thousand nine hundred and thirty-eight, be sent to each shareholder at his last known post office address, as shown by the books of the bank; and after the first day of July, one thousand nine hundred and thirty-eight, within six months after the end of each successive five-year period, a copy of the

18. *(h)* See section 75 (2) *(f)* and 75 (3) for limiting provisions.

(2) The existing Act provided that copies of the bylaws in force be sent to each shareholder on or before December 31, 1923, and at the end of each successive five-year period, the result being that this section was last complied with in 1933. The wording of the subsection is to ensure a continuation of the practice already established.

by-laws, in respect of the said matters, hereinbefore in this section set out, in force at the end of each such period, shall be sent as aforesaid.

Guarantee and pension funds.

(3) The shareholders may authorize the directors to establish guarantee and pension funds for the officers and employees of the bank and their families, and to contribute thereto out of the funds of the bank, and such guarantee or pension fund, whether or not contributed in whole or in part out of the funds of the bank, shall be invested in securities in which a trustee may invest under the *Trust Companies Act*.

Existing by-laws continued.

(4) Until it is otherwise prescribed by by-law under this section, the by-laws of the bank on any matter which may be regulated by by-law under this section shall remain in force, except as to any provision fixing the qualification of directors at an amount less than that prescribed by this Act. R.S., c. 12, s. 18, am.

Exception.

Management.

19. The stock, property, affairs and concerns of the bank shall be managed by a board of directors. R.S., c. 12, s. 19.

Qualification of directors.

20. (1) Each director shall hold stock of the bank, of which stock he shall be the absolute and sole owner in his individual right and not as trustee or in the right of another, on which not less than

(a) three thousand dollars have been paid up, when the paid-up capital stock of the bank is one million dollars or less;

(b) four thousand dollars have been paid up, when the paid-up capital stock of the bank is over one million dollars and does not exceed three million dollars;

(c) five thousand dollars have been paid up, when the paid-up capital stock of the bank exceeds three million dollars.

Required stock holdings.

(2) No person shall be elected or continue to be a director unless he holds stock, of which he is the owner as aforesaid, paid up to the amount required by this Act, or such greater amount as is required by any by-law in that behalf.

Majority to be British subjects.

(3) A majority of the directors shall be natural born or naturalized subjects of His Majesty and domiciled in Canada. R.S., c. 12, s. 20.

Election of directors.

21. (1) The directors shall be elected by the shareholders at the annual general meeting and shall be eligible for re-election.

At chief office.

(2) The election shall take place at the place where the chief office of the bank is situate.

18. (4) The existing subsection (4) is omitted. It reads as follows:—

"4. Any conversion of investments rendered necessary by this provision shall be made within such time or times as the Minister may deem reasonable."

This subsection, which was enacted in 1923, has served its purpose.

Notice.

(3) Public notice of the annual general meeting shall be given by the directors by publishing such notice, for at least four weeks prior to the time of holding the said meeting, in a newspaper published at the place where the chief office of the bank is situate, and by mailing a copy of such notice to each shareholder at his last known post office address, as shown by the books of the bank, at least twenty days prior to the time aforesaid.

Who shall be directors.

(4) The persons, to the number authorized to be elected, who have the greatest number of votes at any election, shall be directors. R.S., c. 12, s. 21, am.

Provision in case of equality of votes.

22. If it happens at any election that two or more persons have an equal number of votes, and the election or non-election of one or more of such persons as a director or directors depends on such equality, then the directors who have a greater number of votes, or the majority of them, shall, in order to complete the full number of directors, determine which of the said persons so having an equal number of votes shall be a director or directors. R.S., c. 12, s. 22.

Election of president and vice-president.

23. (1) The directors, as soon as may be after their election, shall proceed to elect, by ballot, from their number a president and one or more vice-presidents.

Honorary president.

(2) The directors may also elect by ballot one of their number to be chairman of the board and one to be honorary president. R.S., c. 12, s. 23, am.

Vacancies how filled.

24. If a vacancy occurs in the board of directors the vacancy shall be filled in the manner provided by the by-laws: Provided that, if the vacancy is not filled, the acts of a quorum of the remaining directors shall not be thereby invalidated. R.S., c. 12, s. 24.

Proviso.

Vacancy in presidency or vice-presidency.

25. If a vacancy occurs in the office of the president or vice-president, the directors shall, from among themselves, elect a president or a vice-president, who shall continue in office for the remainder of the year. R.S., c. 12, s. 25.

Postponed election of directors.

26. (1) If an election of directors is not made on the day appointed for that purpose, such election may take place on any other day, according to the by-laws made by the shareholders in that behalf.

Continuance in office.

(2) The directors in office on the day appointed for the election of directors shall remain in office until a new election is made. R.S., c. 12, s. 26.

Meetings of directors.

27. (1) The chairman of the board, if any, or the president, or in their absence a vice-president, shall preside at all meetings of the directors.

21. (3) The word "prior" is substituted for the word "previously" in the third line of this subsection.

23. (2) A number of the banks have one of the directors elected to the post of chairman of the board. The amendment will give official recognition to that practice.

27. (1) and (2) These amendments are made in consequence of the amendment to subsection 2 of section 23.

Temporary chairman.

(2) If at any meeting of the directors the chairman of the board, if any, the president and vice-president are absent, one of the directors present, chosen to act *pro tempore*, shall preside.

Casting vote.

(3) The person so presiding shall vote as a director, and shall, if there is an equal division on any question, also have a casting vote.

Record of attendance of directors.

(4) A record shall be kept of the attendance at each meeting of directors, and a summary thereof prepared so as to show the total number of directors' meetings held and the number attended by each director shall be sent to each shareholder with the notice of the annual general meeting hereinbefore mentioned.

Services rendered by directors.

(5) Such summary may state the nature and extent of the services rendered by any director who, by reason of residing at a point remote from the chief office of the bank, has been unable to attend meetings of directors. R.S., c. 12, s. 27, am.

General powers of directors.

28. (1) The directors may make by-laws and regulations, not repugnant to the provisions of this Act, or to any by-law duly passed by the shareholders or to the laws of Canada, with respect to

(a) the management and disposition of the stock, property, affairs and concerns of the bank;

(b) the duties and conduct of the officers, clerks and servants employed therein; and

(c) all such other matters as appertain to the business of a bank.

Existing by-laws continued.

(2) All by-laws of the bank lawfully made and in force with regard to any matter respecting which the directors may make by-laws under this section, including any by-laws for the establishing of guarantee and pension funds for the employees of the bank, shall remain in force until they are repealed or altered by other by-laws made under this Act. R.S., c. 12, s. 28.

Appointment of officers.

Directors may authorize officer to make appointments.

Salaries.

29. (1) The directors may appoint as many officers, clerks and servants as they may consider necessary for carrying on the business of the bank, and may authorize any officer of the bank to make such of these appointments as they may deem expedient.

(2) Such officers, clerks and servants may be paid such salaries and allowances as the directors or such officer, in the case of appointments made by him, consider necessary.

Security.

(3) The directors before permitting any general manager, manager, or other officer, clerk or servant of the bank to enter upon the duties of his office, and any officer, authorized as aforesaid, before permitting any officer, clerk or servant of the bank appointed by him to enter upon the duties of his office, shall require him to give a bond, guarantee or other security to the satisfaction of the directors or such

officer as the case may be, for the due and faithful performance of his duties. R.S., c. 12, s. 29.

Special general meeting.

30. (1) A special general meeting of the shareholders of the bank may be called at any time by

(a) the directors of the bank or any four of them; or

(b) any number not less than twenty-five of the shareholders, acting by themselves or by their proxies, who are together owners of at least one-tenth of the paid-up capital stock of the bank.

Notice.

(2) Such directors or shareholders shall give six weeks' previous public notice, specifying therein the object of such meeting.

Place.

(3) Such meeting shall be held at the usual place of meeting of the shareholders.

Removal of president, vice-president or director.

(4) If the object of the special general meeting is to consider the removal, for maladministration or other specified and apparently just cause, of the president or a vice-president, or of a director of the bank, and if a majority of the votes of the shareholders at the meeting is given for such removal, a director to replace him shall be elected or appointed in the manner provided by the by-laws of the bank, or, if there are no by-laws providing therefor, by the shareholders at the meeting.

Another to replace.

Choosing another president or vice-president.

(5) If it is the president or a vice-president who is removed, his office shall be filled by the directors in the manner provided in case of a vacancy occurring in the office of president or vice-president. R.S., c. 12, s. 30.

One vote for each share.

31. (1) Every shareholder shall, on all occasions on which the votes of the shareholders are taken, have one vote for each share held by him for at least thirty days before the time of meeting.

Ballot.

(2) In all cases when the votes of the shareholders are taken, the voting shall be by ballot.

Majority to determine.

(3) All questions proposed for the consideration of the shareholders shall be determined by a majority of the votes of the shareholders present or represented by proxy.

Casting vote.

(4) The chairman elected to preside at any meeting of the shareholders shall vote as a shareholder only, unless there is a tie, in which case he shall, except as to the election of a director, have a casting vote.

As to joint holders of shares.

(5) If two or more persons are joint holders of shares, any one of the joint holders may be empowered, by letter of attorney from the other joint holder or holders, or a majority of them, to represent the said shares, and to vote accordingly.

Proxies.

(6) Shareholders may vote by proxy, but no person other than a shareholder eligible to vote shall be permitted to vote or act as proxy.

Officers not to vote.

(7) No general manager, manager, clerk or other subordinate officer of the bank shall vote either in person or by proxy, or hold a proxy for the purpose of voting.

Renewal of proxies.

(8) No appointment of a proxy to vote at any meeting of the shareholders of the bank shall be valid for that purpose unless it has been made or renewed in writing within one year last preceding the time of such meeting.

Calls must be paid before voting.

(9) No shareholder shall vote, either in person or by proxy, on any question proposed for the consideration of the shareholders of the bank at any meeting of the shareholders, or in any case in which the votes of the shareholders of the bank are taken, unless he has paid all calls made by the directors which are then due and payable. R.S., c. 12, s. 31.

CAPITAL STOCK.

Increase of capital.

32. (1) The capital stock of the bank may be increased, from time to time, by such percentage, or by such amount, as is determined upon by by-law passed by the shareholders at the annual general meeting, or at any special general meeting called for the purpose.

Approval of Treasury Board.

(2) No such by-law shall come into operation, or be of any force or effect, unless and until a certificate approving thereof has been issued by the Treasury Board.

Conditions for approval.

(3) No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of the by-law, nor unless it appears to the satisfaction of the Treasury Board that a copy of the by-law, together with notice of intention to apply for the certificate, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the chief office of the bank is situate.

Treasury Board may refuse.

(4) Nothing herein contained shall be construed to prevent the Treasury Board from refusing to issue such certificate if it thinks best so to do. R.S., c. 12, s. 32.

Allotment.

33. (1) Any of the original unsubscribed capital stock, or of the increased stock of the bank, shall, at such time as the directors determine, be allotted to the then shareholders of the bank *pro rata*, at such price, not less than par, and on such terms as are fixed by the directors: Provided that—

To present shareholders.

(a) no fraction of a share shall be so allotted;

(b) in no case shall a rate be fixed by the directors, which will make the premium, if any, paid or payable on the stock so allotted, exceed the percentage which the rest or reserve fund of the bank then bears to the paid-up capital stock thereof;

(c) payment shall not be required in greater amounts or at shorther intervals than ten per centum of the price every thirty days; and

(d) the price of such stock shall be paid in money.

Notice of allotment.

(2) Notice of allottment shall be mailed to the shareholders at their last known post office address as shown by the record of the bank, and the directors shall in such notice fix a date not less than ninety days from the day on which the notice is mailed within which the allottment is to be accepted.

Offer to the public.

(3) Any of such allotted stock which is not accepted by a shareholder to whom the allotment has been made, within the time so fixed, or which he declines to accept, together with such shares as remain unallotted because of the provisions of this section that no fraction of a share can be allotted, may be offered for subscription to the public in such manner and on such terms as the directors prescribe.

Distribution of fractions.

(4) Any sums received in excess of the rate per share fixed by the directors under this section in respect of fractions of shares offered for subscription to the public shall be rateably distributed to the respective shareholders from whose shares the fractions arose. R.S., c. 12, s. 33.

Reduction of capital.

34. (1) The capital stock of the bank may be reduced by by-law passed by the shareholders at the annual general meeting, or at a special general meeting called for the purpose.

Approval Treasury Board.

(2) No such by-law shall come into operation or be of force or effect until a certificate approving thereof has been issued by the Treasury Board.

Conditions for approval.

(3) No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of the by-law, nor unless it appears to the satisfaction of the Board that

(a) the shareholders voting for the by-law represent a majority in value of all the shares then issued by the bank; and

(b) a copy of the by-law, together with notice of intention to apply to the Treasury Board for the issue of a certificate approving thereof, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the chief office of the bank is situate.

Statements to be submitted to Treasury Board.

(4) In addition to evidence of the passing of the by-law, and of the publication thereof in the manner in this section provided, statements showing

(a) the amount of stock issued;

(b) the number of shareholders represented at the meeting at which the by-law passed;

(c) the amount of stock held by each such shareholder;

(d) the number of shareholders who voted for the by-law;

(e) the amount of stock held by each of such last mentioned shareholders;

(f) the assets and liabilities of the bank in full; and

(g) the reasons and causes why the reduction is sought

shall be laid before the Treasury Board at the time of the application for the issue of a certificate approving the by-law.

Treasury Board may refuse.

(5) Nothing herein contained shall be construed to prevent the Treasury Board from refusing to issue the certificate if it thinks best so to do.

Not to affect liability of shareholders.

(6) The passing of the by-law, and any reduction of the capital stock of the bank thereunder, shall not in any way diminish or interfere with the liability of the shareholders of the bank to the creditors thereof at the time of the issue of the certificate approving the by-law.

If legislation is asked to sanction reduction.

(7) If in any case legislation is sought to sanction any reduction of the capital stock of any bank, a copy of the by-law or resolution passed by the shareholders in regard thereto, together with statements similar to those by this section required to be laid before the Treasury Board, shall, at least one month prior to the introduction into Parliament of the bill relating to such reduction, be filed with the Minister.

Limit of reduction.

(8) The capital shall not be reduced below the amount of two hundred and fifty thousand dollars of paid-up stock. R.S., c. 12, s. 34.

SHARES AND CALLS.

Shares personalty.

35. (1) The shares of the capital stock of the bank shall be personal property.

Books of subscription.

(2) For the purpose of disposing of stock which may be offered for subscription to the public under section thirty-three of this Act, stock books may be opened at the chief office of the bank, or at such of its branches, or elsewhere, as the directors prescribe.

Particulars entered.

(3) Each subscriber shall, at the time of subscription, give his post office address, and description, and these particulars shall appear in the stock books in connection with the name of the subscriber and the number of shares subscribed for. R.S., c. 12, s. 35.

Notice of double liability.

36. There shall be printed in small pica type, or type of larger size, on each page in the stock books upon which subscriptions are recorded and on every document constituting or authorizing a subscription, on a part of the page and document respectively, which may be readily seen

by the person recording the subscription, or by the person signing the document, a copy of section one hundred and twenty-five of this Act. R.S., c. 12, s. 36.

Calls on shares.

37. (1) The directors may make such calls of money from the several shareholders for the time being, upon the shares subscribed for by them respectively, as they find necessary.

Number of.

(2) Any number of calls may be made by one resolution.

Intervals for calls.

(3) Such calls shall be payable at intervals of not less than thirty days.

Notice.

(4) Notice of such calls shall be given to the shareholders.

Limitation.

(5) No such call shall exceed ten per centum of each share subscribed. R.S., c. 12, s. 37.

Capital lost to be called for.

38. (1) If any part of the paid-up capital is lost the directors shall, if all the subscribed stock is not paid up, forthwith make calls upon the shareholders to an amount equivalent to the loss: Provided that all net profits shall be applied to make good such loss.

Returns to Minister.

(2) Any such loss of capital and the calls, if any, made in respect thereof, shall be mentioned in the next return made by the bank to the Minister. R.S., c. 12, s. 38.

Recovery of calls and instalments.

Forfeiture.

39. In case of the non-payment of any call, or instalment under an accepted allotment, the directors may, in the corporate name of the bank, sue for, recover, collect and get in any such call or instalment, or may cause and declare the shares in respect of which any such default is made to be forfeited to the bank. R.S., c. 12, s. 39.

Fine for failure to pay call.

40. (1) If any shareholder refuses or neglects to pay any instalment or call upon his shares of the capital stock at the time appointed therefor, such shareholder shall incur a penalty, to the use of the bank, of a sum of money equal to ten per centum of the amount of such shares.

Sale of forfeited shares at public auction.

(2) If the directors declare any shares to be forfeited to the bank they shall, within six months thereafter, without any previous formality other than public notice published for at least four weeks, of their intention so to do, sell at public auction the said shares, or so many of the said shares as shall, after deducting the reasonable expenses of the sale, yield a sum of money sufficient to pay the unpaid instalments or calls due on the remainder of the said shares, and the amount of penalties incurred upon the whole.

Transfer, how executed.

(3) The president, a vice-president, or the general manager of the bank shall execute the transfer to the purchaser of the shares so sold; and such transfer shall be as valid and effectual in law as if it had been executed by the original holder of the shares thereby transferred.

Remission of forfeiture or penalty.

(4) The directors, or the shareholders at a general meeting may, notwithstanding anything in this section contained, remit, either in whole or in part, and conditionally or unconditionally, any forfeiture or penalty incurred by the non-payment of instalments or calls as aforesaid. R.S., c. 12, s. 40.

Recovery by action.

41. (1) In any action brought to recover any money due on any instalment or call, it shall not be necessary to set forth the special matter in the declaration or statement of

Allegations.

claim, but it shall be sufficient to allege that the defendant is the holder of one share or more, as the case may be, in the capital stock of the bank, and that he is indebted to the bank for instalments or calls upon such share or shares, in the sum to which the instalments or calls amount, as the case may be, stating the amount and number of the instalments or calls.

Proof.

(2) It shall not be necessary, in any such action, to prove the appointment of the directors. R.S., c. 12, s. 41.

TRANSFER AND TRANSMISSION OF SHARES.

Conditions for transfer of shares.

42. (1) No transfer of the shares of the capital stock of the bank shall be valid unless

(a) made, registered and accepted by the person to whom the transfer is made, or by his attorney appointed in writing, in a book or books kept for that purpose; and

(b) the person making the transfer has, if required by the bank, previously discharged all his debts or liabilities to the bank which exceed in amount the remaining stock, if any, belonging to such person, valued at the then current rate.

Entries in books.

(2) The post office address and description of the transferee shall be entered in such book.

Fraction of share not transferable.

(3) No fractional part of a share, or less than a whole share shall be transferable.

Share register office to be opened in each province.

(4) The bank may open and maintain in any province in Canada in which it has resident shareholders and in which it has one or more branches or agencies, a share-registry office, to be designated by the directors, at which the shares of the shareholders, resident within the province, shall be registered and at which, and not elsewhere, except as hereinafter provided, such shares may be validly transferred.

Register and transfer of shares.

(5) Shares of persons who are not resident in Canada or in any province in which there is a branch or agency of the bank may be registered and shall be transferable at the chief office of the bank or elsewhere, as the directors may designate.

When change of residence.

(6) Whenever there is a change in the ownership of shares, and the new shareholder resides in a province other than that in which the former shareholder resided, and whenever there is a change in the residence of a shareholder from one province to another, or whenever a shareholder residing outside of Canada becomes a resident of a province in Canada, the registration of the shares shall be changed to the registry of the province in which the shareholder has his residence, if there is a branch or agency of the bank in that province and if a share-registry has been opened in that province, and the shares of such shareholder shall thereafter be transferable at such registry and not elsewhere, except as herein provided.

Residence defined.

(7) For the purposes of this section, a shareholder shall be deemed to be resident in the province in which he has according to the books of the bank, his post office address.

Agents.

(8) The directors shall appoint such agents for the purposes of this section as they deem necessary. R.S., c. 12, s. 42.

List of transfers.

43. (1) A list of all transfers of shares registered each day in the books of the bank at the respective places where transfers are authorized, showing in each case the parties to such transfers and the number of shares transferred, shall be made up at the end of each day.

For inspection.

(2) Such lists shall be kept at the said respective places for the inspection of the shareholders. R.S., c. 12, s. 43.

Requirements for valid transfer.

44. (1) All sales or transfers of shares, and all contracts and agreements in respect thereof, hereafter made or purporting to be made, shall be null and void, unless the person making the sale or transfer, or the person in whose name or behalf the sale or transfer is made, at the time of the sale or transfer,

(a) is the registered owner in the books of the bank of the share or shares so sold or transferred, or intended or purporting to be sold or transferred; or

(b) has the registered owner's assent to the sale.

Contract to state number.

(2) The distinguishing number or numbers, if any, of such share or shares shall be designated in the contract or agreement of sale or transfer.

Purchaser's rights preserved.

(3) Notwithstanding anything in this section contained, the rights and remedies under any contract of sale which does not comply with the conditions and requirements in this section mentioned, of any purchaser who has no knowledge of such non-compliance, are hereby saved. R.S., c. 12, s. 44.

Sale of shares under execution.

45. (1) When any share of the capital stock has been sold under a writ of execution, the officer by whom the writ was executed shall, within thirty days after the sale, leave

with the bank an attested copy of the writ, with the certificate of such officer endorsed thereon, certifying to whom the sale has been made.

Transfer, how executed.

(2) The president, a vice-president or the general manager of the bank shall execute the transfer of the share so sold to the purchaser, but not until after all debts and liabilities to the bank of the holder of the share, and all liens in favour of the bank existing thereon, have been discharged as by this Act provided.

Validity.

(3) Such transfer shall be to all intents and purposes as valid and effectual in law as if it had been executed by the holder of the said share. R.S., c. 12, s. 45.

Transmission of shares.

46. (1) If the interest in any share in the capital stock of any bank is transmitted by or in consequence of

(a) the death, lunacy, bankruptcy, or insolvency of any shareholder; or

(b) the marriage of a female shareholder; or

(c) any lawful means, other than a transfer according to the provisions of this Act,

How authenticated.

the transmission shall be authenticated by a declaration in writing, as hereinafter mentioned, or in such other manner as the directors of the bank require.

Declaration.

(2) Every such declaration shall distinctly state the manner in which and the person to whom the share has been transmitted, and shall give his post office address and description, and such person shall make and sign the declaration.

Acknowledgment.

(3) The person making and signing the declaration shall acknowledge the same before a judge of a court of record, or before the mayor, provost or chief magistrate of a city, town, borough or other place, or before a notary public, or a commissioner for taking affidavits, where the said declaration is made and signed.

To be left with bank.

(4) Every declaration so signed and acknowledged shall be left with the general manager, or other officer or agent of the bank, who shall thereupon enter the name of the person entitled under the transmission in the register of shareholders.

Exercise of rights as shareholder.

(5) Until the transmission has been so authenticated, no person claiming by virtue thereof shall be entitled to participate in the profits of the bank, or to vote in respect of any such share of the capital stock. R.S., c. 12, s. 46, am.

Transmission by marriage of female shareholders. Declaration.

47. (1) If the transmission of any share of the capital stock has taken place by virtue of the marriage of a female shareholder, the declaration shall be accompanied by a copy of the register of such marriage, or other particulars of the celebration thereof, and shall declare the identity of the wife, with the holder of such share, and

46. (3) The words underlined replace the word "same."

shall be made and signed by such female shareholder and her husband.

If separate property of wife.

(2) The declaration may include a statement to the effect that the share transmitted is the separate property and under the sole control of the wife, and that she may, without requiring the consent or authority of her husband, receive and grant receipts for the dividends and profits accruing in respect thereof, and dispose of and transfer the share itself.

Revocation.

(3) The declaration shall be binding upon the bank and persons making the same, until the said persons see fit to revoke it by a written notice to the bank to that effect.

Omission not to invalidate.

(4) The omission of a statement in any such declaration that the wife making the declaration is duly authorized by her husband to make the same shall not invalidate the declaration. R.S., c. 12, s. 47.

Authentication of declaration and papers in certain cases.

48. (1) Every such declaration and instrument as are by the last two preceding sections required to perfect the transmission of a share in the bank shall, if made in any country other than Canada, the United Kingdom or a British Dominion or colony,

(a) be further authenticated by the clerk of a court of record under the seal of the court, or by the British consul or vice-consul, or other accredited representative of His Majesty's Government in the country where the declaration or instrument is made; or

(b) be made directly before such British consul, vice-consul or other accredited representative.

Further evidence.

(2) The directors, general manager or other officer or agent of the bank may require corroborative evidence of any fact alleged in any such declaration. R.S., c. 12, s. 48, am.

Transmission by will or intestacy.

49. (1) If the transmission has taken place by virtue of any testamentary instrument, or by intestacy, the probate of the will, or the letters of administration, or act of curatorship or tutorship, or an official extract therefrom, shall, together with the declaration, be produced and left with the general manager or other officer or agent of the bank.

Entry.

(2) The general manager or other officer or agent shall thereupon enter in the register of shareholders the name of the person entitled under the transmission. R.S., c. 12, s. 49.

Transmission by decease.

50. Notwithstanding anything in this Act, if the transmission of any share of the capital stock has taken place by virtue of the decease of any shareholder, the production to the directors and the deposit with them of

(a) any authenticated copy of the probate of the will of the deceased shareholder, or of letters of administration of his estate, or of letters of verification of

heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, Northern Ireland, or any British Dominion or colony, or of any testament-testamentar or testament-dative expede in Scotland;

(b) an authentic notarial copy of the will of the deceased shareholder, if such will is in notarial form according to the law of the province of Quebec; or

(c) if the deceased shareholder died outside of His Majesty's dominions, any authenticated copy of the probate of his will or letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters;

shall be sufficient justification and authority to the directors for paying any dividend, or for transferring or authorizing the transfer of any share, in pursuance of and in conformity to the probate, letters of administration, or other such document as aforesaid. R.S., c. 12, s. 50, am.

SHARES SUBJECT TO TRUSTS.

Bank not bound to see to trusts.

51. (1) The bank shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any share of its stock is subject.

Receipt.

(2) The receipt of the person in whose name any such share stands in the books of the bank, or, if it stands in the names of more persons than one, the receipt of one of such persons shall be a sufficient discharge to the bank for any dividend or any other sum of money payable in respect of such share, unless, previously to such payment, express notice to the contrary has been given to the bank.

Bank not bound.

(3) The bank shall not be bound to see to the application of the money paid upon such receipt whether given by one of such persons or all of them. R.S., c. 12, s. 51.

Executor or trustee not personally liable.

52. (1) No person holding stock in the bank as executor, administrator, guardian, trustee, tutor or curator

(a) of or for any estate, trust or person named in the books of the bank as being represented by him; or

(b) if the will or other instrument under or by virtue of which the stock is so held be named in the books of the bank in connection with such holding,

shall be personally subject to any liability as a shareholder; but the estate and funds in his hands shall be liable in like manner and to the same extent as the testator, intestate, ward or person interested in such estate and funds would be, if living and competent to hold the stock in his own name.

50. *(a)* "Testament-testamentar", etc.,—this is the correct phrasing suggested by Scottish solicitors.

Cestui que trust liable.

(2) If the trust is for a living person or corporation, such person or corporation shall also be liable as a shareholder to the extent of his or its respective interest in the shares.

Executor or trustee liable if trust not named.

(3) If the estate, trust or person so represented, or will or other instrument, is not named in the books of the bank, the executor, administrator, guardian, trustee, tutor or curator shall be personally liable in respect of the stock as if he held it in his own name as owner thereof. R.S., c. 12, s. 52.

ANNUAL AND SPECIAL STATEMENTS.

Statement to be laid before annual general meeting.

53. (1) At every annual general meeting of the shareholders, the outgoing directors shall submit a full and clear statement of the affairs of the bank, exhibiting, on the one part, the liabilities of the bank, and, on the other part, the assets and resources thereof, and the statement shall be signed by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the statement is signed, and shall be signed on behalf of the board by the president or a vice-president or any other two directors, neither of whom shall be an officer of the bank.

Liabilities.

(2) The statement shall, without restricting the generality of the requirements of the next preceding subsection, include and show, on the one part, *the amount of the*

(a) capital paid up,
(b) rest or reserve fund,
(c) dividends declared and unpaid,
(d) balance of profits, as per profit and loss account referred to in subsection eight of this section,
(e) notes in circulation,
(f) deposits by and balances due to Dominion Government,
(g) deposits by and balances due to provincial governments,
(h) advances under the *Finance Act*,
(i) deposits by the public not bearing interest,
(j) deposits by the public bearing interest, including interest accrued to date of statement,
(k) deposits by and balances due to other banks in Canada,
(l) deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries,
(m) bills payable,
(n) letters of credit outstanding,
(o) liabilities to the public not included under the foregoing heads.

53. Subsections one and two at present read as follows:—

ANNUAL AND SPECIAL STATEMENTS.

"**53.** At every annual general meeting of the shareholders, the outgoing directors shall submit a clear and full statement of the affairs of the bank, exhibiting, on the one part, the liabilities of the bank, and, on the other part, the assets and resources thereof, and the statement shall be signed by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the statement is signed, and shall be signed on behalf of the board by the president or a vice-president or any other two directors, neither of whom shall be an officer of the bank.

2. The statement shall, without restricting the generality of the requirements of the next preceding subsection, include and show, on the one part, the amount of the

(a) capital stock paid in,
(b) rest or reserve fund,
(c) dividends declared and unpaid,
(d) balance of profits, as per profit and loss account referred to in subsection seven of this section,
(e) notes of the bank in circulation,
(f) deposits not bearing interest,
(g) deposits bearing interests, including interest accrued to date of statement,
(h) advances under the Finance Act,
(i) balances due to other banks in Canada,
(j) balances due to banks and banking correspondents in the United Kingdom and foreign countries,
(k) bills payable,
(l) letters of credit outstanding,
(m) liabilities not included in the foregoing."

Assets.

(3) The statement shall include and show, on the other part, *the amount of*

(a) Gold and coin,
(b) Dominion notes,
(c) notes of other banks,
(d) United States and other foreign currencies,
(e) cheques on other banks,
(f) due by other banks in Canada,
(g) due by banks and banking correspondents elsewhere than in Canada,
(h) Dominion and provincial government securities, direct and guaranteed (maturing within two years), not exceeding market value,
(i) other Dominion and provincial government direct and guaranteed securities, not exceeding market value,
(j) Canadian municipal securities, not exceeding market value,
(k) public securities other than Canadian, not exceeding market value,
(l) other bonds, debentures and stocks, not exceeding market value,
(m) call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover,
(n) call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover,
(o) other current loans and discounts in Canada, less rebate of interest, estimated loss provided for,
(p) other current loans and discounts elsewhere than in Canada, less rebate of interest, estimated loss provided for,
(q) non-current loans, estimated loss provided for,
(r) liabilities of customers under letters of credit as per contra,
(s) real estate other than bank premises,
(t) mortgages on real estate sold by the bank,
(u) bank premises, at not more than cost, less amounts, if any, written off,
(v) deposit with the Minister of Finance for the security of note circulation,
(w) deposit in the central gold reserves,
(x) shares of and loans to controlled companies,
(y) other assets not included under the foregoing heads.

Power to amend.

(4) The Governor in Council shall have power from time to time to make such amendments and additions to the items required to be set forth in the said statement *as he may deem expedient.*

53. (3) The present subsection reads as follows:—

"3. The statement shall include and show, on the other part, the amount of

(a) current coin held by the bank,
(b) Dominion notes held,
(c) notes of other banks,
(d) United States and other foreign currencies,
(e) cheques on other banks,
(f) balances due by other banks in Canada,
(g) balances due by banks and banking correspondents elsewhere than in Canada,
(h) Dominion and provincial government securities, not exceeding market value,
(i) Canadian municipal securities, and British, foreign and colonial public securities other than Canadian, not exceeding market value,
(j) *railway* and other bonds, debentures and stocks, not exceeding market value,
(k) call and short, not exceeding thirty day, loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover,
(l) call and short, not exceeding thirty day, loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover,
(m) other current loans and discounts in Canada, less rebate of interest, *after making full provision for all bad and doubtful debts,*
(n) other current loans and discounts elsewhere than in Canada, less rebate of interest, *after making full provision for all bad and doubtful debts,*
(o) liabilities of customers under letters of credit as per contra,
(p) real estate other than bank premises,
(q) non-current loans, estimated loss provided for,
(r) bank premises, at not more than cost, less amounts, if any, written off,
(s) deposit with the Minister for the purposes of the Circulation Fund,
(t) deposit in the central gold reserves,
(u) other assets not included in the foregoing."

The changes in the form of the annual statement are made generally to afford a clearer appreciation of the position of the bank. An endeavour has also been made to bring the statement as far as possible into conformity with the monthly statements set out in Schedule H.

Statement controlled corporation.

(5) Whenever a bank carries on any part of its operations in the name of a corporation controlled by such bank, then there shall accompany the statement, a further statement showing the assets and liabilities of each such corporation, and the value placed upon the bank's interest in the corporation.

Auditors.

(6) The auditors of the bank shall, for any purposes within the purview of this Act, be deemed auditors of such controlled corporation, and the shareholders of the bank at every annual general meeting shall appoint such person to act as proxy for the bank at any and all meetings of such controlled corporation as they may see fit.

Other particulars.

(7) Any other or further particulars than those called for by subsections two and three of this section, which, in the opinion of the directors, are necessary to a full and clear statement of the affairs of the bank shall also be included and shown in such statement.

Profit and loss account.

(8) A profit and loss account for the financial year of the bank next preceding the date of the annual general meeting shall accompany the statement and be attached thereto, and shall be signed on behalf of the board by the same persons as are required by this section to sign the statement referred to.

Copies of statement to be sent to shareholders and Minister.

(9) A copy of the statement and of the profit and loss account, together with a copy of the minutes of the annual general meeting, shall be sent within four weeks thereafter to each shareholder at his last known post office address, as shown by the books of the bank, and concurrently therewith a certified copy of each of these shall be sent to the Minister.

Classification of bank employees.

(10) As a part of the bank's annual statement, there shall be filed with the Minister, under the following classifications:—

1. Managers;
2. Assistant Managers;
3. Accountants;
4. Assistant Accountants;
5. Tellers;
6. Ledger Keepers;
7. Women Clerks and Stenographers;
8. Juniors and other Clerks,

the following information in regard to employees within Canada:—

(a) The number in each classification, with maximum, minimum and average salary and other compensation for each class;

(b) The maximum, minimum and average age of employees under each classification;

(c) Age or salary restrictions upon marriage of employees; and

(d) Percentage of employees' salaries contributed to Pension Fund, if any, and the contributions made to such Fund by the bank. R.S., c. 12, s. 53, am.

Further statements as required by by-law.

54. (1) The directors shall also submit to the shareholders such further statements of the affairs of the bank as the shareholders require by by-law passed at the annual general meeting, or at any special general meeting of the shareholders called for the purpose.

When to be submitted.

(2) The statements so required shall be submitted at the annual general meeting, or at any special general meeting called for the purpose, or at such time and in such manner as is set forth in the by-law of the shareholders requiring such statements. R.S., c. 12, s. 54.

SHAREHOLDERS' AUDIT

Who qualified to audit.

55. (1) The affairs of the bank shall be audited by two persons, residing in Canada, each one of whom shall be an accountant who has for at least six years preceding the date of his appointment, as hereinafter provided, practised his profession in Canada, and who shall also be a member in good standing of an institute or association of accountants incorporated under the authority of the legislature of any province of Canada.

Lists to be furnished to Minister and Association.

(2) A list or lists shall be furnished to the Minister and also to the Association by each such incorporated institute or association of accountants on or before the thirtieth day of June in each year, of all members of their corporation in good standing whose names are entitled to be included therein as determined by the provisions of the last preceding subsection, together with their addresses and the names of the firms, if any, of which they are members, and such list or lists shall be certified under their corporate seals respectively.

The Minister may select auditors.

(3) The Minister may, not later than the thirtieth day of September next following, select from such list or lists the persons, any one of whom shall be eligible to be appointed an auditor of a bank under this section, and if the Minister does not make a selection as herein provided all the persons on the list or lists so furnished shall be eligible for appointment as auditors of a bank.

Publication of list.

(4) The Minister shall, as soon thereafter in each year as may be convenient, cause to be inserted in two successive issues of the *Canada Gazette* a public notice containing the names and other particulars of persons so selected, or if no selection has been made, then the names and other particulars of the persons included in such list or lists as furnished, and the persons included in such published notice shall be deemed qualified for appointment as auditors of a bank.

Appointment of auditors.

(5) The shareholders shall at each annual general meeting appoint two persons, not members of the same firm, whose names are included in the last published list, to audit the affairs of the bank, but if the same two persons, or members respectively of the same two firms have been appointed for two years in succession to audit the affairs of any one bank, one such person or any member of one such firm shall not be again appointed to audit the affairs of such bank during the period of two years next following the term for which he was last appointed.

Vacancy.

(6) If any vacancy should occur in the office of auditor of a bank, notice thereof shall forthwith be given by the bank to the Minister, who shall thereupon appoint some other person included in the published list for the year to serve for the unexpired term of the person previously appointed.

Remuneration of auditors.

(7) The remuneration of auditors shall be fixed by the shareholders at the time of their appointment, and in the event of any vacancy and the appointment of another auditor under the next preceding subsection, the remuneration so fixed shall be divided between them in such manner as the directors shall consider just and reasonable.

Powers and rights of auditors.

(8) Every auditor of a bank shall have a right of access to the books and accounts, cash, securities, documents and vouchers of the bank, and shall be entitled to require and receive from the directors and officers of the bank such information and explanation as may be necessary for the performance of the duties of the auditors.

Procedure and scope of audit.

(9) The Minister may from time to time require that the auditors of a bank shall report to him upon the adequacy of the procedure adopted by the bank for the safety of its creditors and shareholders, and as to the sufficiency of their own procedure in auditing the affairs of the bank; and the Minister may at his discretion enlarge or extend the scope of the audit, or direct that any other or particular examination be made or procedure established in the particular case as the public interest may seem to require.

Duty with respect to directors.

(10) It shall be the duty of the auditors to report individually or jointly as to them may seem fit to the general manager and to the directors in writing any transactions or conditions affecting the well being of the bank which are not satisfactory to them, and which in their opinion require rectification, and without restricting the generality of this requirement they shall report specifically to the general manager and to the directors from time to time upon any loans exceeding one per cent of the paid-up capital of the bank which in their judgment are inadequately secured, but this provision shall not be construed to relieve any director from the due and proper discharge of the duties of a director.

(11) The report shall be transmitted or delivered by the auditors to the general manager at his office and to each director at his last known post office address and the said report shall be incorporated in the minutes of the directors' meeting first following the receipt of the said report.

Report of Auditors.

(12) The auditors shall make a report to the shareholders on the statement of the affairs of the bank to be submitted by the directors to the shareholders under section fifty-three of this Act during their tenure of office.

(13) The report shall state

(a) whether or not they have obtained all the information and explanations they have required;

(b) whether, in their opinion, the transactions of the bank which have come under their notice have been within the powers of the bank;

(c) whether, in their opinion, the statement referred to in the report discloses the true condition of the bank; and

(d) whether the statement is as shown by the books of the bank.

Attached to annual statement and read.

(14) The auditors' report shall be attached to the statement submitted by the directors to the shareholders under section fifty-three of this Act, and the report shall be read before the shareholders in the annual general meeting.

Audit and report on further statements.

(15) Any further statement of the affairs of the bank submitted by the directors to the shareholders under section fifty-four of this Act shall be subject to audit and report, and the report of the auditors thereon shall state

(a) whether or not they have obtained the information and explanations they have required; and

(b) whether, in their opinion, such further statement discloses to the extent thereof the true condition of the bank.

Attached to statement and read.

(16) The auditors' report shall be attached to the further statement referred to in the next preceding subsection, and shall be read before the shareholders at the meeting to which such further statement is submitted, and a copy of the statement and report shall be mailed to every shareholder at his last known address.

Copies.

Auditor not to undertake other employment for bank.

(17) A person appointed under this section to audit the affairs of a bank shall not during the term for which such person is appointed accept any retainer or undertake any employment on behalf of such bank other than that of auditor hereunder; provided nothing herein contained shall prevent such person from being retained or employed to inquire into or deal with any situation arising out of or connected with the financial position or affairs of any borrower from or customer of the bank or from performing such other services with respect to such borrower or customer as the directors of the bank, in any of the foregoing

Proviso.

(17) Subsection 17 at present reads as follows:—

"(17) A person appointed under this section to audit the affairs of a bank shall not, during the term for which such person is appointed, either by himself, or by the firm of which he is a member, or by any other member of such firm, accept any retainer or undertake any employment on behalf of or at the instance of such bank or any officer thereof, whether at the expense of the bank or not, other than that of auditor hereunder; and failure to comply with the provisions of this subsection shall be an offence against this Act."

circumstances, may by resolution declare to be necessary or expedient for the protection or benefit of the bank; and

Offence. failure to comply with the provisions of this subsection shall be an offence against this Act.

Director or officer not eligible. (18) No person shall be appointed an auditor of a bank if such person or any member of his firm is a director or officer of such bank.

Auditors' reports to be sent to the Minister. (19) A copy of all reports made by the auditors of a bank to the general manager and to the directors under this section shall be transmitted or delivered to the Minister by the auditors at the same time as such reports are transmitted or delivered to the general manager and directors. 1924, c. 7, s. 1; R.S., c. 12, s. 55, am.

INSPECTION.

Inspector General of Banks to be appointed. **56.** (1) The Governor in Council on the recommendation of the Minister shall appoint a person who in his opinion has had proper training and experience who shall be charged with the performance of the duties hereinafter mentioned; and such person shall be designated "Inspector General of Banks," hereinafter called the Inspector.

Temporary inspector. (2) The Minister may direct some other competent person to perform temporarily the duties of the Inspector should the Inspector, by reason of illness or other contingency, be unable to perform such duties.

Tenure of office. Removal. (3) The Inspector shall hold office during good behaviour, but may be removed from office by the Governor in Council for misbehaviour or incapacity, inability, or failure to perform his duties properly.

Reasons for removal. (4) If the Inspector is removed from office for any such reasons the Order in Council providing for such removal and documents relating thereto shall be laid before Parliament within the first fifteen days of the next ensuing session.

To receive no other compensation. (5) The Inspector while holding office shall not perform any service for compensation other than the service rendered by him under the provisions of this section.

Officials and clerical assistants. (6) The Minister may appoint or employ on the recommendation of the Deputy Minister of Finance and the Inspector, such persons with training and experience and such clerical assistants as may be deemed necessary to carry out and give effect to the provisions of this section.

Salary. (7) Persons so appointed or employed shall receive such salary or remuneration as may be fixed by the Minister.

Examination and inquiry into affairs of banks. (8) The Inspector, from time to time, but not less frequently than once in each calendar year, shall make or cause to be made, such examination and inquiry into the affairs or business of each bank as he may deem to be necessary or expedient, and for such purposes take charge

on the premises of the assets of the bank or any portion thereof, if the need should arise, for the purpose of satisfying himself that the provisions of this Act having reference to the safety of the creditors and shareholders of each such bank are being duly observed and that the bank is in a sound financial condition, and at the conclusion of each such examination and inquiry shall report thereon to the Minister.

Report.

Access to books and accounts, etc., of banks.

(9) The Inspector, or person acting under his direction, shall have a right of access to the books and accounts, documents, vouchers and securities of the bank, and shall be entitled to require and receive from the directors, officers and auditors of the bank such information and explanation as he may deem necessary for the performance of his duties.

Powers of commissioner under Inquiries Act.

(10) The Inspector shall have all the powers conferred upon a commissioner appointed under the *Inquiries Act* for the purpose of obtaining evidence under oath, and may delegate such powers as occasion may require, and any person who refuses to give such evidence or to produce any book or document material thereto when required so to do shall be guilty of an offence against this Act.

Reports on banks found to be insolvent.

(11) Whenever the Inspector is satisfied that a bank is insolvent he shall report fully on the bank's condition to the Minister, and the Minister may, without waiting for the bank to suspend payment, in specie or Dominion or Bank of Canada notes, of any of its liabilities as they accrue, forthwith appoint in writing a curator to supervise the affairs of such bank, and such appointment shall have the same effect as if the bank had suspended payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrued.

Salary.

(12) The Inspector shall be paid a salary fixed by the Governor in Council on the recommendation of the Minister.

Salaries and expenses paid out of Consolidated Revenue Fund and recouped by assessment on banks.

(13) Provided an appropriation therefor has been made by Parliament, all salaries, remuneration and other expenses incidental to giving effect to this section shall be paid out of the Consolidated Revenue Fund, and the Consolidated Revenue Fund shall be recouped after the end of each calendar year for such outlay by an assessment upon the banks based upon the average total assets of the banks, respectively, during the year, as shown by the monthly returns made by the banks to the Minister under section one hundred and twelve of this Act, and such assessment shall be paid by the banks.

Officials to be officers of Finance Department.

(14) All persons appointed under this section shall be officers of the Department of Finance, but the provisions of the *Civil Service Act* shall not apply to such persons.

No liability to depositor, creditor, or shareholder for damages, payment or compensation, under this section.

(15) His Majesty shall not incur any liability whatever to any depositor, creditor or shareholder of any bank, or to any other person, for any damages, payment, compensation or indemnity which he may suffer or claim by reason of this section or anything therein contained, or by reason of anything done or omitted to be done under the requirements thereof, or by reason of anything omitted to be done which is hereby required to be done, or by reason of any order or direction of the Governor in Council or of the Minister in the execution or administration of the powers or any of them by this section conferred, or by reason of any failure or omission on the part of the Governor in Council or of the Minister or of the Inspector or of any officer or employee of His Majesty to execute or discharge any power, authority, or duty thereunder, or otherwise by reason of any default, negligence, mistake, error or omission in the administration or discharge of the powers or duties which in any circumstances are by this section intended or authorized to be executed or performed; and no such payment, damages, compensation or indemnity, nor any claim therefor, shall in any case be authorized, paid or entertained by His Majesty. R.S., c. 12, s. 56, am.

DIVIDENDS.

Quarterly or half-yearly dividends.

57. (1) The directors of the bank may, subject to the provisions of this Act, declare quarterly or half-yearly dividends of so much of the profits of the bank as to the majority of them seems advisable.

Notice.

(2) The directors shall give public notice, published for at least four weeks, of the payment of such dividends previously to the date fixed for such payment.

Where payable.

(3) Dividends shall, on and after the date fixed for payment, be payable at the chief office of the bank and at such of its branches and at such other places as the directors prescribe.

Books closed.

(4) The directors may close the transfer books during a certain time, not exceeding fifteen days, before the payment of each dividend.

Liability of bank.

(5) The liability of any bank under any law, custom or agreement to pay dividends heretofore or hereafter declared and payable on its capital stock shall continue notwithstanding any statute of limitations or any enactment or law relating to prescription. R.S., c. 12, s. 57. am.

No prescription.

Dividend not to impair capital.

58. (1) No dividend or bonus shall be declared as so to impair the paid-up capital of the bank.

Directors liable for such dividend.

(2) The directors who knowingly and wilfully concur in the declaration or making payable of any dividend or bonus, whereby the paid-up capital of the bank is im-

57. (1) The present subsection reads as follows:—

"**57.** The directors of the bank *shall*, subject to the provisions of this Act, declare quarterly or half-yearly dividends of so much of the profits of the bank as to the majority of them seems advisable."

58. Subsections 3 and 4 appear in the present Act as subsections 1 and 2 respectively of section 59. Their wording has not been changed.

paired, shall be jointly and severally liable for the amount of such dividend or bonus, as a debt due by them to the bank.

Dividend limited unless there is a certain reserve.

(3) No division of profits, either by way of dividends or bonus, or both combined, or in any other way, exceeding the rate of eight per centum per annum, shall be made by the bank, unless, after making the same, the bank has a rest or reserve fund, equal to at least thirty per centum of its paid-up capital after providing all the appropriations necessary for ascertained and estimated losses.

Personal liability of directors.

(4) The directors who knowingly and wilfully concur in any division of profits exceeding the rate of eight per centum per annum, unless after making the same the bank has a rest or reserve fund equal to at least thirty per centum of its paid-up capital after making the appropriations necessary to provide for losses, shall be jointly and severally liable for the amount so divided, as a debt due by them to the bank. R.S., c. 12, ss. 58 and 59.

CASH RESERVES.

Cash reserves in Dominion notes.

59. (1) The bank shall hold in Dominion notes not less than forty per centum of the cash reserves which it has in Canada.

Supply of Dominion notes.

(2) The Minister shall make such arrangements as are necessary for ensuring the delivery of Dominion notes to any bank in exchange for an equivalent amount of gold coin lawfully current at the several branch offices of the Department of Finance established for the redemption of Dominion notes under the provisions of the *Dominion Notes Act*.

Redemption.

(3) Such notes shall be redeemable at any of the branch offices mentioned in subsection two hereof.

Limited operation of section.

(4) The next three preceding subsections of this section shall be repealed on and from the date on which the Bank of Canada is authorized to commence business, and on and after that date the bank shall maintain a reserve which shall, *subject to the provisions of the Bank of Canada Act, be not less than* five per centum of its deposit liabilities within Canada and which shall consist of a deposit with the Bank of Canada, and of notes of the Bank of Canada held by the bank; and the bank shall also maintain with the Bank of Canada or elsewhere adequate reserves against liabilities elsewhere than in Canada, and furnish such information as may be required by the Minister from time to time to satisfy him that such reserves against external liabilities are so maintained. R.S., c. 12, s. 60, am.

59. This section, apart from subsection 4, is section 60 of the present Act.

59. (4) This subsection is consequent upon the proposed legislation for a central bank.

The Committee substitute the words "subject to the provisions of the Bank of Canada Act, be not less than" for the words "always be equal to" in the fifth line of this subsection.

ISSUE AND CIRCULATION OF NOTES.

Issue of notes.

60. (1) The bank may issue and re-issue its notes payable to bearer on demand and intended for circulation: Provided that

Proviso.

(a) the bank shall not, during any period of suspension of payment of its liabilities, issue or reissue any of its notes; and

(b) if, after any such suspension, the bank resumes business without the consent in writing of the curator, hereinafter provided for, it shall not issue or reissue any of its notes until authorized by the Treasury Board so to do.

$5, or multiples.

(2) No such note shall be for a sum less than five dollars, or for any sum which is not a multiple of five dollars.

Amount limited.

(3) Except as hereinafter provided, the total amount of the notes of a bank in circulation at any time shall not exceed the aggregate of

(a) the amount of the unimpaired paid up capital of the bank; and

(b) the amount of current gold coin and of Dominion notes held for the bank in the central gold reserves hereinafter mentioned.

Appointment of trustees.

(4) The Association may, with the approval of the Minister, appoint three trustees and the Minister may appoint a fourth trustee, and the trustees so appointed shall receive such amounts in current gold coin and Dominion notes, or either, as any bank may desire from time to time to deposit with them; and such amounts so deposited are herein referred to as "central gold reserves" and shall be held and dealt with in accordance with the provisions of this Act.

"Central gold reserves." By-laws respecting.

(5) The Association may make by-laws, rules and regulations under section one hundred and twenty-four of this Act respecting the custody and management of the central gold reserves and the carrying out of the provisions of this Act relating to such reserves.

Excess of notes over paid-up capital.

(6) When and so long as the amount of the notes of a bank in circulation in excess of its unimpaired paid-up capital is less then the amount deposited by it in the central gold reserves, the excess of the amount so deposited shall belong to the bank as its property, and the bank may apply to the trustees for a return of the excess last mentioned, and upon receiving from the bank a statement signed by the chief accountant and by the general manager or other principal officer next in authority in the management of the affairs of the bank at the time the statement is signed, and otherwise in the form provided by said by-laws, rules or regulations, setting forth to the best of the information and belief of these officers the amount of the notes of the bank in circulation on the date of such statement,

60. This appears in the present Act as section 61. See notes opposite proposed new section 61.

the trustees shall return the whole or part of the deposit of the bank, as the case may be.

(7) On and from the date when such statement is transmitted by registered post or delivered to the trustees, the amount applied for shall, for the purpose of the statement to be made by the trustees to the Minister under subsection nine of this section, and for the purpose of calculating the total amount of the authorized note circulation of the bank, be deemed to have been withdrawn from the central gold reserves and shall not be taken into account in such statement nor included in such calculation.

Exception.

(8) Should the total amount of the notes of the bank in circulation be found, by reason of such withdrawal, to be in excess of the circulation of the bank authorized by this Act the bank shall not be deemed to be released or relieved from any of the penalties imposed by this Act for circulation of the notes of a bank in excess of the amount authorized by this Act.

Statement to be sent to Minister

(9) The trustees shall prepare and transmit by registered post or deliver to the Minister within the first twenty days of each month a statement signed by them showing the amount on each juridical day of the preceding month of the deposit of each bank in the central gold reserves and not withdrawn or deemed to be withdrawn under the provisions of this section.

Inspection and audit of gold coin and notes.

(10) The Minister shall, from time to time, and not less frequently than twice in each year, cause an inspection and audit of the gold coin and Dominion notes held by the trustees to be made by officers of the Department of Finance.

Particulars of inspection.

(11) It shall be the duty of such officers

(a) to inspect and ascertain the amount of the gold coin and Dominion notes held by the trustees for the respective banks at the date of inspection; and

(b) to ascertain from the books and accounts, documents and vouchers of the trustees the amounts of gold coin and Dominion notes held by the trustees for the respective banks at any preceding date named by the Minister.

Powers of inspecting officer.

(12) Every such officer shall have a right of access to the gold coin and Dominion notes held and to the books and accounts, documents and vouchers of the trustees, and shall be entitled to require from the trustees such information and explanation as may be necessary for the performance of his duties.

When bank insolvent.

(13) Should the bank become insolvent within the meaning of this Act, the amount held for it in the central gold reserves shall be paid by the trustees to the liquidator or other person entitled by law to collect and receive the assets of the bank and shall be applied in redeeming the notes of such bank in circulation or in making the payment

to the Minister required by section one hundred and sixteen of this Act and for no other purpose.

Vacancy in office of trustee.

(14) When a vacancy in the office of a trustee appointed by the Association occurs, by resignation, death or other cause, a trustee to fill the vacancy shall, subject to the approval of the Minister, be appointed by the Association; and when a vacancy occurs in the office of a trustee appointed by the Minister, the trustee to fill the vacancy shall be appointed by the Minister.

Remuneration of trustees.

(15) The remuneration of trustees, including that of the trustee appointed by the Minister, and all charges and expenses incidental to the establishment and maintenance of the central gold reserves, shall be borne by the Association as the Association may, by by-law, rule or regulation determine.

Additional issue during moving of crops.

(16) During the usual season of moving the crops, that is to say, from and including the first day of September in any year to and including the last day of February next ensuing, in addition to the said amount of notes hereinbefore authorized to be issued for circulation, the bank may issue its notes to an amount not exceeding fifteen per centum of the combined unimpaired paid-up capital and rest or reserve fund of the bank as stated in the statutory monthly return made by the bank to the Minister for the month immediately preceding that in which the additional amount is issued.

Notice of additional issue.

(17) Whenever, under the authority of the next preceding subsection, the issue of an additional amount of notes of the bank has been made, the general manager, or other principal officer next in authority in the management of the affairs of the bank for the time being, shall forthwith give notice thereof by registered letter addressed to the Minister and to the president of the Association,

Interest on additional issue.

(18) While its notes in circulation are in excess of the aggregate referred to in subsection three of this section, the bank shall pay interest to the Minister at such rate, not exceeding five per centum per annum, as is fixed by the Governor in Council, on the amount of its notes in circulation in excess from day to day; and the interest so paid shall form part of the Consolidated Revenue Fund.

Return by bank.

(19) A return shall be made and sent by the bank to the Minister showing the amount of its notes in circulation for each juridical day during any month.

Time and form of return.

(20) Such return shall be made up and sent within the first twenty-eight days after the last day of the month next preceding and shall be accompanied by declarations which shall be a part of the return and the return and such declaration shall be in the form set forth in Schedule I to this Act, and shall be signed by the chief accountant, and by the president or a vice-president or the director then acting

Signatures thereto.

(19) The present subsection reads as follows:—

"19. A return shall be made and sent by the bank to the Minister showing the amount of its notes in circulation for each juridical day during any month *in which any amount of notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding.*"

The words in italics are omitted.

(20) The present subsection gives thirty days in which to make the return.

as president, and by the general manager or other principal officer next in authority in the management of the affairs of the bank at the time at which the declaration is signed: Provided, however, that the Governor in Council shall have power from time to time to make such amendments and additions to the items required to be set forth in the said Schedule *as he may deem expedient.*

Repeal of sub-secs., 3-18 sec. 60.

61. (1) Subsections three to eighteen, both inclusive, of the next preceding section shall be repealed on and from the day on which the Bank of Canada is authorized to commence business.

Maximum circulation.

(2) Notwithstanding anything contained in the next preceding section, on and after the day on which the Bank of Canada is authorized to commence business, the maximum amount of notes of a bank in circulation at any time shall not exceed the amount of the unimpaired paid-up capital of the bank on the said day on which the Bank of Canada is authorized to commence business, and on the first day of January in each year for a period of five years commencing on the first day of January nineteen hundred and thirty-six the said maximum shall be reduced by five per centum, and on the first day of January in each year for a period of five years commencing on the first day of January nineteen hundred and forty-one the said maximum shall be reduced by ten per centum and thereafter until Parliament further enacts, the amount of notes of a bank in circulation shall not exceed twenty-five per centum of the amount of the unimpaired paid-up capital of the bank.

Effect of reduction or impairment of capital.

In the event of any reduction or impairment of the paid-up capital, the maximum amount of notes of the bank which may be in circulation shall be reduced to the amount which would have been authorized if the reduction or impairment aforesaid had occurred on the day on which the Bank of Canada was authorized to commence business.

Circulation elsewhere than in Canada.

(3) The next preceding subsection shall not operate to limit the authority of the bank to issue notes under the provisions of the next succeeding section of this Act, provided that the total amount of the notes which may be in circulation in Canada and elsewhere shall not in any circumstances exceed the amount of the unimpaired paid-up capital of the bank.

61. This proposed section contains new limitations under which notes of the chartered banks may be issued after the Bank of Canada is authorized to commence business.

Bank commencing business, to be subject to this section.

(4) In the case of a bank authorized to commence business after the day on which this section comes into force, the said bank shall be subject to the provisions of this section as if it had been authorized to commence business on the day on which this section comes into operation.

Note issue at agency in British possessions other than Canada.

62. (1) Notwithstanding the provisions of the two next preceding sections any bank may issue and reissue outside of Canada at any branch, agency or office of the bank in any British colony or possession, notes of the bank payable to bearer on demand and intended for circulation in such colony or possession, for the sum of one pound sterling each, or for any multiple of such sum, or for the sum of five dollars each, or for any multiple of such sum of the dollars in commercial use in such colony or possession, if the issue or reissue of such notes is not forbidden by the laws of such colony or possession.

Governor in Council to fix rate for circulation.

(2) No issue of notes of the denomination of five such dollars, or any multiple thereof, shall be made in any such British colony or possession unless and until the Governor in Council, on the report of the Treasury Board, determines the rate, in Canadian currency, at which such notes shall be circulated as forming part of the total amount of the notes in circulation within the meaning of the two next preceding sections.

Redemption.

(3) The notes so issued shall be redeemable at par at any branch, agency or office of the bank in the colony or possession in which they are issued for circulation, and not elsewhere, except as in this section specially provided; and the place of redemption of such notes shall be legibly printed or stamped across the face of each note so issued.

Redemption if agency is closed.

(4) In the event of the bank ceasing to have a branch or agency or office in any such British colony or possession, all notes issued in such colony or possession under the provisions of this section shall become payable and redeemable at the rate of four dollars and eighty-six and two-thirds cents per pound sterling, or, in the case of the issue of notes of the denomination of five dollars, or any multiple thereof, of the dollars in commercial use in such colony or possession, at the rate established by the Govnor in Council as required by this section, in the same manner as notes of the bank issued in Canada are payable and redeemable.

Total amount of circulation.

(5) The amount of the notes at any time in circulation in any such colony or possession, issued under the provisions of this section, shall, at the rate mentioned in the last preceding subsection, form part of the total amount of the notes in circulation within the meaning of the two next preceding sections, and, except as herein otherwise specially provided, shall be subject to all the provisions of this Act.

62. (1) The present subsection reads as follows:—

"**62.** Notwithstanding the provisions of the last preceding section any bank may issue and reissue, at any branch, agency or office of the bank in any British colony or possession *other than Canada*, notes of the bank payable to bearer on demand and intended for circulation in such colony or possession, for the sum of one pound sterling each, or for any multiple of such sum, or for the sum of five dollars each, or for any multiple of such sum of the dollars in commercial use in such colony or possession, if the issue or reissue of such notes is not forbidden by the laws of such colony or possession."

No reissue in Canada.

(6) No notes issued for circulation in any such British colony or possession shall be reissued in Canada.

Section limited.

(7) Nothing in this section shall be construed to authorize any bank

(a) to increase the total amount of its notes in circulation in Canada and elsewhere beyond the limit fixed by the two next preceding sections; or

(b) to issue or reissue in Canada notes payable to bearer on demand, and intended for circulation, for a sum less than five dollars, or for a sum which is not a multiple of five dollars. R.S., c. 12, s. 62, am.

Pledge of notes prohibited.

63. The bank shall not pledge, assign, or hypothecate its notes; and no advance or loan made on the security of the notes of a bank shall be recoverable from the bank or its assets. R.S., c. 12, s. 63.

Bank circulation redemption fund continued.

64. (1) The moneys heretofore paid to and now deposited with the Minister by the banks to which this Act applies, constituting the fund known as the Bank Circulation Redemption Fund, shall continue to be held by the Minister for the purposes and subject to the provisions in this section mentioned and contained.

$5,000 to be retained upon issue of certificate.

(2) The Minister shall, upon the issue of a certificate under this Act authorizing a bank to issue notes and commence the business of banking, retain, out of any moneys of such bank then in his possession, the sum of five thousand dollars, which sum shall be held for the purposes of this section, until the annual adjustment hereinafter provided for takes place in the year then next following.

Adjustment.

(3) The amount at the credit of such bank shall, at such next annual adjustment, be adjusted by payment to or by the bank of such sum as is necessary to make the amount of money at the credit of the bank equal to five per centum of the average amount of its notes in circulation from the time it commenced business to the time of such adjustment and such sum shall thereafter be adjusted annually as hereinafter provided.

Five per cent of average circulation.

Circulation Fund.

(4) The amounts heretofore and from time to time hereafter paid, to be retained and held by the Minister as by this section provided, shall continue to form and shall form the Circulation Fund.

Its purposes.

(5) The Circulation Fund shall continue to be held as heretofore for the sole purpose of payment, in the event of the suspension by a bank of payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, of the notes then issued or reissued by such bank, intended for circulation, and then in circulation, and interest thereon.

62. (6) The present subsection reads as follows:—

"6. No notes issued for circulation in a British colony or possession *other than Canada* shall be reissued in Canada."

Adjustment annually.

(6) The Circulation Fund shall be adjusted, as soon as possible after the thirtieth day of June in each year, in such way as to make the amount at the credit of each bank contributing thereto, unless herein otherwise specially provided, equal to five per centum of the average note circulation of such bank during the then last preceding twelve months. *Such Fund shall bear interest at the rate of three per centum per annum.*

Average note circulation, how determined.

(7) The average note circulation of a bank during any period shall be determined from the average of the amount of its notes in circulation, as shown by the monthly returns for such period made by the bank to the Minister; and where, in any return the greatest amount of notes in circulation at any time during the month is given, such amount shall, for the purposes of this section, be taken to be the amount of the notes of the bank in circulation during the month to which such return relates: Provided, however, that in determining the average note circulation of a bank under this subsection the daily average for each month of the amount of the bank's deposit, if any, in the central gold reserves which has not been withdrawn or deemed to be withdrawn within the meaning of this Act shall be deducted from the greatest amount of the notes of the bank in circulation at any time during the month.

Proviso.

Rights of Minister.

(8) The Minister shall, with respect to all notes paid out of the Circulation Fund, have the same rights as any other holder of notes of the bank: Provided that all such notes, and all interest thereon, so paid by the Minister, after the amount at the credit of such bank in the Circulation Fund *and all interest due or accruing due thereon* has been exhausted, shall bear interest, at the rate of three per centum per annum, from the time such notes and interest are paid until such notes and interest are repaid to the Minister by or out of the assets of such bank. 1923, c. 32, s. 64; R.S., c. 12, s. 64, am.

Proviso.

Notes of bank suspending payment to bear interest.

65. (1) In the event of the suspension by a bank of payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, the notes of the bank issued or reissued intended for circulation and then in circulation shall bear interest at the rate of five per centum per annum, from the day of the suspension to such day as is named by the directors, or by the liquidator, receiver, assignee or other proper official, for the payment thereof.

Notice of time for payment.

(2) Notice of such day shall be given by advertisement in at least three consecutive issues of a daily newspaper, published in the place in which the chief office of the bank is situate, and if there is no daily newspaper published there, then by advertisement in two consecutive issues of any weekly newspaper published in that place.

(6) The Committee have added the words in italics at the end of subsection (6).

(8) The words "and all interest due or accruing due thereon" after the words "Circulation Fund" in the proviso have been restored in this subsection by the Committee.

As to notes not then presented.

(3) If any notes presented for payment on or after any day named for payment thereof are not paid, all notes then unpaid and in circulation shall continue to bear interest until such further day is named for payment thereof, of which day notice shall be given in manner hereinbefore provided.

Notes not redeemed to be paid out of Circulation Fund.

(4) If the directors of the bank or the liquidator, receiver, assignee or other proper official fails to make arrangements within two months from the day of the suspension of payment by the bank, for the payment of all of its notes and interest thereon, the Minister may make arrangements for the payment out of the Circulation Fund, of the notes remaining unpaid and all interest thereon, and the Minister shall give such notice of the payment as he thinks expedient.

Interest to cease.

(5) Notwithstanding anything herein, all interest upon such notes shall cease upon and from the date named by the Minister for such payment.

Government not liable.

(6) Nothing herein shall be construed to impose any liability upon His Majesty or upon the Minister, beyond the amount available from time to time out of the Circulation Fund. R.S., c. 12, s. 65, am.

Payment from fund.

66. (1) All payments made from the Circulation Fund shall be without regard to the amount contributed thereto by the bank in respect of whose notes the payments are made.

If fund exceeded.

(2) If the payments from the Circulation Fund exceed the amount contributed to the Circulation Fund by the bank so suspending payment, *and all interest due or accruing due to such bank thereon*, the other banks to which this Act applies shall, on demand, make good to the Circulation Fund the amount of the excess proportionately to the amount which each such other bank had or should have contributed to the Circulation Fund at the time of the suspension of the bank in respect of whose notes the payments are made.

Other banks to contribute.

(3) Each of such other banks shall only be called upon to make good to the Circulation Fund its share of the excess in payments not exceeding in any one year one per centum of the average amount of its notes in circulation; such circulation shall be ascertained in such manner as the Minister decides, and the Minister's decision shall be final.

Amounts recovered, how distributed.

(4) All amounts recovered and received by the Minister from the bank on account of which such payments were made shall, after the amount of such excess has been made good as aforesaid, be distributed among the banks contributing to make good such excess, proportionately to the amount contributed by each. R.S., c. 12, s. 66.

(2) The words "and all interest due or accruing due to such bank thereon" after the word "payment" in the third line of the subsection have been restored in this subsection by the Committee.

Refund of deposit if bank is wound up.

67. In the event of the winding-up of the business of a bank by reason of insolvency or otherwise, the Treasury Board may, on the application of the directors, or of the liquidator, receiver, assignee or other proper official, and on being satisfied that proper arrangements have been made for the payment of the notes of the bank and any interest thereon, pay over to the directors, liquidator, receiver, assignee or other proper official, the amount of the Circulation Fund at the credit of the bank, or such portion thereof as it thinks expedient. R.S., c. 12, s. 67.

Treasury Board rules.

68. The Treasury Board may make all such rules and regulations as it thinks expedient with reference to

(a) the payment of any moneys out of the Circulation Fund, and the manner, place and time of such payment;

(b) the collection of all amounts due to the Circulation Fund;

(c) all accounts to be kept in connection therewith; and

(d) generally the management of the Circulation Fund and all matters relating thereto. R.S., c. 12, s. 68.

Minister may enforce payments.

69. The Minister may, in his official name, by action in the Exchequer Court of Canada, enforce payment, with costs of action, of any sum due and payable by any bank which should form part of the Circulation Fund. R.S., c. 12, s. 69.

Arrangements to be made for circulation at par, and redemption.

70. (1) The bank shall make such arrangements as are necessary to ensure the circulation at par, in any and every part of Canada, of all notes issued or reissued by it and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes at such places in each province as may be fixed by the Governor in Council.

Bank must take its own notes.

(2) The bank shall always receive in payment its own notes at par at any of its branches, agencies or offices, and whether they are made payable there or not. R.S., c. 12, s. 70, am.

Payment in Dominion notes or Bank of Canada notes.

71. (1) The bank, when making any payment shall, on the request of the person to whom the payment is to be made, pay the same, or such part thereof, not exceeding one hundred dollars, as such person requests, in Dominion or Bank of Canada notes for one, two or five dollars each, at the option of such person.

70. The present section reads as follows:—

"**70.** The bank shall make such arrangements as are necessary to ensure the circulation at par, in any and every part of Canada, of all notes issued or reissued by it and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes *at the places at which the Governor in Council has established branch offices of the Department of Finance for the redemption of Dominion notes, and at such other places as are from time to time designated by the Treasury Board.*

2. The bank shall always receive in payment its own notes at par at any of its branches, agencies or offices, and whether they are made payable there or not. 1923, c. 32, ss. 70 and 71."

No torn or defaced notes.

(2) No payment, whether in Dominion or Bank of Canada notes or bank notes, shall be made by the bank in notes that are unclean or torn or partially defaced.

Disinfection of notes.

(3) The Treasury Board may make regulations providing for the disinfection and sterilization by the several banks of all bank notes and Dominion or Bank of Canada notes which have come into the bank's possession before a reissue thereof to the public; and the bank, its officers, clerks and servants, shall carry out and execute the regulations made under the authority of this section. R.S., c. 12, s. 71, am.

Notes binding though not sealed.

72. (1) The notes of the bank signed by the president, a vice-president, the general manager or other officer appointed by the directors of the bank to sign the same, promising the payment of money to any person or to his order or to the bearer, though not under the corporate seal of the bank, shall be binding and obligatory on the bank in like manner and with like force and effect as they would be upon any private person, if issued by him in his private or natural capacity, and shall be assignable in like manner as if they were so issued by a private person in his natural capacity.

Directors may depute officer to sign.

(2) The directors of the bank may from time to time authorize or depute the general manager, a manager or other officer of the bank, or any director other than the president or a vice-president, or any manager of any branch or office of discount and deposit of the bank, to sign the notes of the bank intended for circulation. R.S., c. 12, s. 72, am.

Notes may be signed by machinery.

73. (1) All bank notes whereon the name of any person entrusted or authorized to sign such notes on behalf of the bank is impressed by machinery provided for that purpose, by or with the authority of the bank, shall be good and valid to all intents and purposes, as if such notes had been subscribed in the proper handwriting of the person entrusted or authorized by the bank to sign the same respectively, and shall be bank notes within the meaning of all laws and statutes whatever, and may be described as bank notes in all indictments and civil or criminal proceedings whatever.

Distinguishing mark.

(2) If all such names are impressed by machinery, at least one such name to each note, together with a distinguishing device and number, shall be impressed or engraved under the authority of the bank after the notes are received by the bank from the engraver and printer, and shall not be otherwise impressed or engraved. R.S., c. 12, s. 73, am.

71. (2) The present subsection reads as follows:—

"(2) No payment, whether in Dominion notes or bank notes, shall be made by the bank in bills that are unclean or torn or partially defaced *by excessive handling.*"

72. The first three lines of the present section, which provides that bills or notes are binding though not under the corporate seal of the bank, read as follows:—

"**72.** The *bills or* notes of the bank signed by the president, a vice-president, the general manager or other officer appointed by the directors of the bank to sign the same."

The words "bills or" are struck out as unnecessary.

73. In this section also, which provides that notes and bills may be signed by machinery, the words "and bills" and "or bills" where they occur after the word "notes" are struck out for the same reason.

Counterfeit or fraudulent notes to be stamped.

74. (1) Every officer charged with the receipt or disbursement of public moneys, and every officer of any bank, and every person acting as or employed by any banker, shall stamp or write in plain letters, upon every counterfeit or fraudulent note issued in the form of a Dominion or Bank of Canada or bank note, and intended to circulate as money, which is presented to him at his place of business, the word "Counterfeit," "Altered" or "Worthless."

If wrongfully stamped.

(2) If such officer or person wrongfully stamps any genuine note he shall, upon presentation, redeem it at the face value thereof. R.S., c. 12, s. 74, am.

BUSINESS AND POWERS OF A BANK.

Business and powers of bank.

75. (1) The bank may

(a) open branches, agencies and offices;

(b) engage in and carry on business as a dealer in gold and silver coin and bullion;

(c) deal in, discount and lend money and make advances upon the security of, and take as collateral security for any loan made by it, bills of exchange, promissory notes and other negotiable securities, or the stock, bonds, debentures and obligations of municipal and other corporations, whether secured by mortgage or otherwise, or Dominion, provincial, British, foreign, and other public securities; and

(d) engage in and carry on such business generally as appertains to the business of banking.

Exceptions.

(2) Except as authorized by this Act, the bank shall not either directly or indirectly

(a) deal in the buying or selling or bartering of goods, wares and merchandise, or engage or be engaged in any trade or business whatsoever;

(b) purchase, or deal in, or lend money or make advances upon the security or pledge of, any share of its own capital stock, or of the capital stock of any bank or of the Bank of Canada;

(c) lend money or make advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property, or of any ships or other vessels, or upon the security of any goods, wares and merchandise;

(d) lend to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank without the approval of the directors any amount or amounts exceeding in the aggregate one thousand dollars;

(e) lend to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank any amount or amounts exceeding in the aggregate ten thousand dollars;

(f) lend money or make advances in excess of five per centum of its paid-up capital to a director of the bank or to any *firm*, company or corporation in which the president, general manager or a director of the bank is a partner or shareholder, as the case may be, without the approval of two-thirds of the directors present at a regular meeting, or meeting specially called for the purpose, of the board;

Name of bank may appear only upon certain prospectus or advertisement.

(g) permit the name of the bank to appear, except as a banker for receiving applications, upon any prospectus or advertisement, unless such prospectus or advertisement is issued by or on behalf of the Government of Canada or of any province thereof, or of any city or municipality, or school corporation or parish trustees, or of any railway, express, telegraph or telephone company the rates of which are fixed or the tariff of the tolls of which are approved by the Board of Railway Commissioners for Canada, or unless the securities to be issued pursuant to the prospectus or advertisement are guaranteed by the Government of Canada or any province thereof or unless provision is made for the payment thereof and the interest thereon by a province pursuant to its statutes.

Loans to directors.

(3) In no case shall a director of the bank be present or vote at a meeting of the board during the time when loans or advances to himself or any firm, *company* or corporation of which he is a partner or director are under consideration.

No manager or other officer to act as agent for insurance company.

(4) No *manager or other officer* of any bank shall act as agent for any insurance company or for any person in the placing of insurance, nor shall any bank exercise pressure upon any borrower to place insurance for the security of such bank in any particular insurance agency, but nothing herein contained shall prevent such bank from requiring such insurance to be placed with an insurance company which it may approve. R.S., c. 12, s. 75, am.

Bank to have lien upon the stock of its debtors.

76. (1) The bank shall have a privileged lien, for any debt or liability for any debt to the bank, on the shares of its own capital stock, and on any unpaid dividends of the debtor or person liable, and may decline to allow any transfer of the shares of such debtor or person until the debt is paid.

Sale of shares.

Notice.

(2) The bank shall, within twelve months after the debt has accrued and become payable, sell such shares, but notice shall be given to the holder of the shares of the intention of the bank to sell the same, by mailing the notice, in the post office, post paid, to the last known address of the holder, as shown by the records of the bank, at least thirty days prior to the sale.

Transfer.

(3) Upon the sale being made the president, a vice-president or the general manager shall execute a transfer of the shares to the purchaser thereof in the usual transfer book of the bank.

(f) This subsection is amended by substituting the word "five" for "ten" in the first line thereof.

75. (4) The present subsection (4) is omitted in this Bill, it reads:—

"(4) Nothing herein contained shall prevent the agent or manager of a bank, with chief office and branches in one province only, from acting as agent for the placing of hail insurance."

Effect of transfer.

(4) Such transfer shall vest in the purchaser all the rights in or to the said shares which were possessed by the holder thereof, with the same obligation of warranty on his part as if he were the vendor thereof, but without any warranty from the bank or by the officer of the bank executing the transfer. R.S., c. 12, s. 76, am.

Collateral securities may be sold.

77. (1) The stock, bonds, debentures or securities, acquired and held by the bank as collateral security, may, in case of default in the payment of the debt for the securing of which they were so acquired and held, be dealt with, sold and conveyed, either in like manner and subject to the same restrictions as are herein provided in respect of stock of the bank on which it has acquired a lien under this Act, or in like manner as and subject to the restrictions under which a private individual might in like circumstances deal with, sell and convey the same: Provided that the bank shall not be obliged to sell within twelve months.

Proviso.

Right of sale may be waived.

(2) The right so to deal with and dispose of such stock, bonds, debentures or securities in manner aforesaid may be waived or varied by any agreement between the bank and the owner of the stock, bonds, debentures or securities. R.S., c. 12, s. 77.

Acquisition of real estate.

78. (1) The bank may acquire and hold real and immovable property for its actual use and occupation and the management of its business, and may sell or dispose of the same, and acquire other property in its stead for the same purpose.

Return to Minister.

(2) The bank shall annually, during the month of January, transmit or deliver to the Minister a return showing in detail the fair market value of its real and immovable property held at the end of the preceding calendar year under this section either in its own name or in the name of a trustee or of a corporation controlled by the bank.

Particulars.

(3) Such return shall state separately each parcel of real property held by the bank and as to each such parcel shall state

(a) the registered owner thereof, if the bank is not the registered owner;

(b) the amount of any mortgage or hypotheque thereon, and if more than one parcel is subject to the same mortgage or hypotheque, the parcels subject to such mortgage or hypotheque shall be segregated in such return and identified therewith; and

(c) the extent, if any, to which each such parcel is not held for the actual use and occupation of the bank;

How signed.

and such return shall be signed by the chief accountant, and by the president, or a vice-president, or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the said return is made. R.S., c. 12, s. 78, am.

78. (2) The words underlined are inserted merely to make clear the date as of which the return should be made.

Mortgages and hypotheques of realty, and agreements of sale.

79. (1) The bank may take, hold and dispose of, by way of additional security for debts or liabilities contracted to the bank in the course of its business,

(a) mortgages and hypotheques upon real and personal, immovable and movable property; but no mortgage or hypotheque shall be taken, held or disposed of in respect to, or be deemed to include, any personal property which, on the first day of July, one thousand nine hundred and twenty-three, was by any statutory enactment exempt from seizure under writs of execution;

(b) the rights of vendors or purchasers under agreements for the sale or purchase of real and personal, immovable and movable property.

As to personalty.

(2) The rights, powers and privileges which the bank is by this Act declared to have, or to have had, in respect of real or immovable property mortgaged to it, shall be held and possessed by it in respect of any personal or movable property which is mortgaged or hypothecated to the bank. R.S., c. 12, s. 79, am.

Purchases of realty.

80. The bank may purchase any lands or real or immovable property offered for sale

(a) under execution, or in insolvency, or under the order or decree of a court, or at a sale for taxes, as belonging to any debtor to the bank;

(b) by a mortgagee or other encumbrancer, having priority over a mortgage or other encumbrance held by the bank; or

Notice of sale by auction.

(c) by the bank under a power of sale given to it for that purpose, notice of such sale by auction to the highest bidder having been first given by advertisement for four weeks in a newspaper published in the county or electoral district in which such lands or property is situate,

in cases in which, under similar circumstances, an individual could so purchase, without any restriction as to the value of the property which it may so purchase, and may acquire a title thereto as any individual, purchasing at sheriff's sale or sale for taxes or under a power of sale, in like circumstances could do, and may take, have, hold and dispose of the same at pleasure. R.S., c. 12, s. 80, am.

Bank may acquire absolute title to mortgaged premises.

81. (1) The bank may acquire and hold an absolute title in or to real or immovable property mortgaged to it as security for a debt due or owing to it, either by the obtaining of a release of the equity of redemption in the mortgaged property, or by procuring a foreclosure, or by other means whereby, as between individuals, an equity of redemption can, by law, be barred, or a transfer of title to

79. The amendment will enable a guarantor to give by way of additional security a mortgage or hypotheque under the section for a liability previously contracted by him. A guarantee is not a "debt" within the meaning of the section, while it is a "liability" contracted by the guarantor.

80. The powers of a bank to acquire real estate are set forth in several connections by the provisions of the Act. Section 80 recognizes the right of a bank, when the lands of its debtor are put up for sale under execution, insolvency or decree of a court, to buy in to protect itself. It seems equally necessary to provide, if the lands of the debtor are set up for sale for default of payment of taxes, that the bank should have the right to buy in.

real or immovable property can, by law, be effected, and may purchase and acquire any prior mortgage or charge on such property.

No act or law to prevent.

(2) Nothing in any charter, Act or law shall be construed as ever having been intended to prevent or as preventing the bank from acquiring and holding an absolute title to and in any such mortgaged real or immovable property, whatever the value thereof, or from exercising or acting upon any power of sale contained in any mortage given to or held by the bank, authorizing or enabling it to sell or convey any property so mortgaged. R.S., c. 12, s. 81.

Property to be sold within certain time.

82. (1) No bank shall hold any real or immovable property, howsoever acquired, except such as is required for its own use, for any period exceeding seven years from the date of the acquisition thereof, or any extension of such period as in this section provided, and such property shall be absolutely sold or disposed of within such period or extended period as the case may be, so that the bank shall no longer retain any interest therein unless by way of security.

Extension of time.

(2) The Treasury Board may direct that the time for the sale or disposal of any such real or immovable property shall be extended for a further period or periods, not to exceed five years.

Twelve years.

(3) The whole period during which the bank may so hold such property under the foregoing provisions of this section shall not exceed twelve years from the date of the acquisition thereof.

Property not sold liable to forfeiture.

(4) Any real or immovable property, not required by the bank for its own use, held by the bank for a longer period than authorized by the foregoing provisions of this section shall be liable to be forfeited to His Majesty for the use of the Dominion of Canada: Provided that

Proviso.

(a) no such forfeiture shall take effect until the expiration of at least six calendar months after notice in writing to the bank by the Minister of the intention of His Majesty to claim the forfeiture; and

(b) the bank may, notwithstanding such notice, before the forfeiture is effected sell or dispose of the property free from liability to forfeiture.

Provisions apply to realty now held.

(5) The provisions of this section shall apply to any real or immovable property heretofore acquired by the bank and held by it at the time of the coming into force of this Act. R.S., c. 12, s. 82.

Loans on standing timber.

83. The bank may lend money upon the security of standing timber or the rights or licences held by persons to cut or remove such timber: Provided that, if the provincial law permits, the instrument evidencing such security is registered against the land upon which such timber stands or in the offices in which are recorded such rights or licences. R.S., c. 12, s. 83.

Loans to receiver or liquidator under Winding-up Acts and to officer under Bankruptcy Act.

84. The bank may lend money to a receiver, to a receiver and manager, to a liquidator appointed under any Winding-up Act, or to a custodian, interim receiver, or trustee under the Bankruptcy Act, provided such receiver, receiver and manager, liquidator, custodian, interim receiver or trustee, has been duly authorized or empowered to borrow, and, in respect of any money so lent, the bank may take security, with or without personal liability, from such receiver, receiver and manager, liquidator, custodian, interim receiver or trustee to such an amount, and upon such property and assets, as may be directed or authorized by any court of competent jurisdiction. R.S., c. 12, s. 84.

Advances for building ships.

85. (1) Every bank advancing money in aid of the building of any ship or vessel shall have the same right of acquiring and holding security upon such ship or vessel, while building and when completed, either by way of mortgage, hypothèque, hypothecation, privilege or lien thereon, or purchase or transfer thereof, as individuals have in the province wherein the ship or vessel is being built.

Rights and obligations.

(2) The bank may, for the purpose of obtaining and enforcing such security, avail itself of all such rights and means, and shall be subject to all such obligations, limitations and conditions as are, by the law of such province, conferred or imposed upon individuals making such advances. R.S., c. 12, s. 85.

Warehouse receipts and bills of lading.

86. (1) The bank may acquire and hold any warehouse receipt or bill of lading as collateral security for the payment of any debt incurred in its favour, or as security for any liability incurred by it for any person, in the course of its banking business.

Effect of taking.

(2) Any warehouse receipt or bill of lading so acquired shall vest in the bank, from the date of the acquisition thereof.

(a) all the right and title to such warehouse receipt or bill of lading and to the goods, wares and merchandise covered thereby of the previous holder or owner thereof; or

(b) all the right and title to the goods, wares and merchandise mentioned therein of the person from whom such goods, wares and merchandise were received or acquired by the bank, if the warehouse receipt or bill of lading is made directly in favour of the bank, instead of to the previous holder or owner of such goods, wares and merchandise. R.S., c. 12, s. 86, am.

When previous holder is an agent.

87. (1) If the previous holder of such warehouse receipt or bill of lading is any person

(a) entrusted with the possession of the goods, wares and merchandise mentioned therein, by or by the authority of the owner thereof;

86. (2) *(a)* The words underlined are inserted merely to bring this section into harmony with other provisions of the Act relating to security over goods, wares and merchandise.

(b) to whom such goods, wares and merchandise are, by or by the authority of the owner thereof, consigned; or

(c) who, by or by the authority of the owner of such goods, wares and merchandise, is possessed of any bill of lading, receipt, order or other document covering the same, such as is used in the course of business as proof of the possession or control of goods, wares and merchandise, or as authorizing or purporting to authorize, either by endorsement or by delivery, the possessor of such a document to transfer or receive the goods, wares and merchandise thereby represented,

the bank shall be, upon the acquisition of such warehouse receipt or bill of lading, vested with all the right and title of the owner of such goods, wares and merchandise, subject to the right of the owner to have the same retransferred to him if the debt or liability, as security for which such warehouse receipt or bill of lading is held by the bank, is paid.

Presumption of possession.

(2) Any person shall be deemed to be the possessor of such goods, wares and merchandise, bill of lading, receipt, order or other document as aforesaid

(a) who is in actual possession thereof; or

(b) for whom, or subject to whose control such goods, wares and merchandise are, or bill of lading, receipt, order, or other document is held by any other person. R.S., c. 12, s. 87.

Loans to certain wholesale dealers.

88. (1) The bank may lend money to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, upon the security of such products.

Grain.

(2) The bank may lend money to a farmer upon the security of his threshed grain grown upon the farm.

Loans to wholesale manufacturers.

(3) The bank may lend money to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise upon the security of the goods, wares and merchandise manufactured by him, or procured for such manufacture.

Removal of goods.

(4) If, with the consent of the bank, the products, goods, wares and merchandise, upon the security of which money has been loaned under the authority of this section, are removed and other products, goods, wares and merchandise of substantially the same character are respectively substituted therefor, then to the extent of the value of the products, goods, wares and merchandise so removed, the products, goods, wares and merchandise so substituted shall be covered by such security as if originally covered thereby; but failure to obtain the consent of the bank to any such substitution shall not affect the validity of the security either as respects any products, goods, wares and

Substitution.

Security.

88. (1) The present subsection reads as follows:—

"**88.** (1) The bank may lend money to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, *or to any wholesale purchaser or shipper of or dealer in live stock or dead stock or the products thereof*, upon the security of such products, *or of such live stock or dead stock or the products thereof*."

The words in italics are omitted by reason of the enlargement of paragraph *(m)* of section 2 and reference to "live stock or dead stock or the products thereof" are for the same reason omitted from later sections.

merchandise actually substituted as aforesaid or in any other particular.

Owner may give the security.

(5) Any such security, as mentioned in the foregoing provisions of this section, may be given by the owner of the said products, goods, wares and merchandise.

Form of security.

(6) The security may be taken in the form set forth in Schedule C to this Act, or to the like effect.

Same rights as upon warehouse receipts.

(7) The bank shall, by virtue of such security, acquire the same rights and powers in respects of the products, goods, wares and merchandise covered thereby as if it had acquired the same by virtue of a warehouse receipt: Provided, however, that the wages, salaries or other remuneration of persons employed by any wholesale purchaser, shipper or dealer, or by any wholesale manufacturer, in connection with any of the several wholesale businesses referred to, or by any farmer, in connection with the farm, owing in respect of a period not exceeding three months, shall be a charge upon the property covered by the said security in priority to the claim of the bank thereunder, and such wages, salaries or other remuneration shall be paid by the bank if the bank takes possession or in any way disposes of the said security or of the products, goods, wares and merchandise covered thereby.

Proviso as to claims for wages.

Loans for purchase of seed grain or binder twine.

(8) The bank may lend money to the owner, tenant or occupier of land for the purchase of seed grain upon the security of any crop to be grown from such seed grain, *and for the purchase of binder twine upon the security of the crop grown by the borrower and which is about to be harvested.*

Security.

(9) The security taken under subsection (8) of this section *for money lent for the purchase of seed grain or for money lent for the purchase of binder twine,* may be taken *in the relevant and appropriate* form set forth in Schedule D, *or Schedule E, as the case may be,* to this Act or in a form to the like effect.

First lien upon seed grain and crop.

(10) The bank shall by virtue of such security acquire a first and preferential lien and claim for the sum secured and interest thereon upon the seed grain *or binder twine* purchased and the crop covered by the security, as well before as after the severance of the crop from the soil, and upon the grain threshed therefrom, and the bank shall by virtue of such security acquire the same rights and powers in respect of such seed grain *or binder twine* and of the grain so threshed as if it had acquired such rights and powers by virtue of a warehouse receipt.

Same rights as upon warehouse receipts.

Right to enter and take

(11) The bank shall have the right, through its servants or agents, in case of default in payment of the money lent or in case of neglect to care for and harvest the crop, or

possession in case of default, etc.

in case of any attempt to dispose of the crop without the consent of the bank or in case of the seizure of the crop under process of law, to enter upon the land upon which the crop is grown, to take possession of, care for and harvest the crop and thresh the grain therefrom.

Loan for live stock raising.

(12) The bank may lend money to a farmer and to any person engaged in stock raising upon the security of his live stock; provided however that such security shall not include and shall be deemed not to include any live stock which on the first day of July, one thousand nine hundred and twenty-three, was by any statutory enactment exempt from seizure under writs of execution.

(13) The provisions of subsection four of this section, making live stock substituted for live stock removed subject to the security, shall apply to the live stock substituted by the farmer or other person engaged in stock raising.

Security.

(14) The security taken under subsection twelve of this section may be taken in the form set forth in Schedule F to this Act or in a form to the like effect.

Entry, seizure and sale.

(15) The bank shall by virtue of the security taken under subsection twelve of this section have full power, right and authority, if the bills or notes therein mentioned or described or any of them are not paid according to their tenor, to enter upon the premises upon which the live stock mentioned in the security are, to take possession of or seize such live stock, and before or after such taking possession of or seizure, to sell such live stock, or such part thereof as may be necessary to realize the amount due and payable, at public auction, not less than five days after

Notice of sale.

(a) notice of the time and place of such sale has appeared in a newspaper published in or nearest to the place where the sale is to be made, and

(b) posting a notice in writing or in print of the time and place of such sale in or at the post office nearest to the place where the sale is to be made.

Disposal of proceeds of sale.

(16) After all necessary and reasonable expenses in connection with such seizure and sale have been deducted and prior privileges, liens or pledges existing in favour of third parties and for which claims may have been filed with the party making the sale have been satisfied, the balance of the proceeds of the sale shall be applied in payment of the said bills or notes and the surplus, if any, returned to the grantor.

Notice of intention to give security.

(17) Any person intending to give a bank security under the authority of this section must give notice of such intention before any loan is made by the bank to such per-

88. (13) The existing subsection reads as follows:—

"(13) The provisions of subsection four of this section, making live stock substituted for live stock removed subject to the security, shall apply to the live stock substituted by the farmer or other person engaged in stock raising. *"Live stock" for the purposes of this section means horses and mares, bulls, cows, oxen, bullocks, steers, heifers and calves, sheep and swine and the offspring of any of such animals."*

The words in italics are omitted by reason of their inclusion in paragraph *(m)* of section 2.

son and the security taken, by signing a document hereinafter called a "notice of intention," which may be in the form set out in Schedule G to this Act or to the like effect.

To be registered.

(18) The notice of intention shall be registered in the manner hereinafter provided, and, after the first day of August, one thousand nine hundred and twenty-three, any security subsequently taken under the authority of this section, before such notice of intention is registered, shall be null and void as against the creditors of such person and as against subsequent purchasers or mortgagees in good faith; and a notice of intention when registered shall be deemed to be notice for the purposes of this section in respect of all securities taken by the bank from such person, under said authority, during the period of three years after the date of registration.

Where to be registered.

(19) The notice of intention shall be registered in the office of the Assistant Receiver General, hereinafter called the Assistant Receiver, or in such office as may be prescribed by the Minister after the coming into force of the *Bank of Canada Act*, in the province in which the place of business, or principal place of business in case the person has more than one place of business, of the person is situate.

"Assistant Receiver."

(20) "Assistant Receiver" in this section includes anyone acting for the Assistant Receiver or the officer in charge of the office to be prescribed as aforesaid.

If person has no place of business.

(21) If the person has no place of business then the notice of intention shall be registered in the office of the Assistant Receiver in the province in which such person resides.

"Place of business."

(22) "Place of business" and "principal place of business" shall, in the case of a company incorporated in Canada, be deemed to be the place where the head office or chief place of business of the company is situate, or if a foreign corporation, then the place of business of such corporation for the purposes of this section shall be the place at which civil process in the province in which the loan is made can be served upon the company.

Manner of registration.

(23) The Assistant Receiver shall number consecutively every notice of intention received by him and shall endorse thereon the number and the hour and date of receiving it, and shall file the same and enter, in alphabetical order, in a book to be kept by him, the name of every person who has given such notice of intention, with the number endorsed thereon opposite to each name.

Assistant Receiver to supply bank with certified copy of document.

(24) The Assistant Receiver shall endorse over his signature on a copy of the notice of intention to be supplied by the bank, for the records of the bank, the date of registration and number, and the production of the copy with such endorsation and signature shall be conclusive evidence in all courts of the registration and of the time of registration as thereon endorsed.

88. (19) Having in view the prospective discontinuance of the offices of the Assistant Receivers General, it becomes necessary to make provision for offices at which registration may be made of notice of intention to borrow under this section.

Cancellation.

(25) The notice of intention may be cancelled by the Assistant Receiver in the book containing such registration at the place where the registration is entered on receipt by him from the bank named in the notice of intention registered of a certificate of release duly signed on hehalf of the bank to the effect that each and every security under this section, given to the bank by the person has been released, or that no security was given to the bank as the case may be, and such certificate of release shall bear on the face thereof the number and date endorsed on the original document on file in the office of the Assistant Receiver.

Certificate of release.

(26) The Assistant Receiver shall number consecutively every certificate of release received by him and shall endorse thereon the number and the hour and date of its receipt and shall file the same.

Register open to inspection.

(27) Every person, upon payment of the proper fees, shall have access to and be entitled to inspect the registration book and any document registered or filed pursuant to this section.

Fees.

(28) For services under this Act, the Assistant Receiver shall be entitled to the following fees, for which he shall be accountable to the Consolidated Revenue Fund:—

For registration of each notice of intention and endorsation of copy over signature..	25c.
For production of registration book for inspection.....	25c.
For production of any notice of intention for inspection.....	25c.
For registration of each certificate of release	25c.

R.S., c. 12, s. 88, am.

Enquiries.

(29) Any person, desiring to ascertain whether a notice of intention or certificate of release has been registered by any other person pursuant to this section, may make enquiry by sending a prepaid telegram or other written communication addressed to the Assistant Receiver, and it shall be the duty of the Assistant Receiver, without payment of any fee prescribed in the next preceding subsection, to make the necessary inspection of the registration book and of the relative documents, if any, and to make answer to the enquiry of the sender by a telegraphic message at the expense of the sender, and stating therein the name of the bank mentioned in the notice of intention.

Goods manufactured from articles pledged.

89. (1) If goods, wares and merchandise are manufactured or produced from the goods, wares and merchandise, or any of them, included in or covered by any warehouse receipt, or included in or covered by any security given under section eighty-eight of this Act, while so covered, the bank holding such warehouse receipt or security shall hold or continue to hold such goods, wares and merchandise, dur-

ing the process and after the completion of such manufacture or production, with the same right and title, and for the same purposes and upon the same conditions, as it held or could have held the original goods, wares and merchandise.

Prior claim of bank over unpaid vendor.

(2) All advances made on the security of any bill of lading or warehouse receipt, or of any security given under section eighty-eight of this Act, shall give to the bank making the advances a claim for the repayment of the advances on the products, goods, wares and merchandise therein mentioned, or into which they have been converted, prior to and by preference over the claim of any unpaid vendor, but such preference shall not be given over the claim of any unpaid vendor who had a lien upon the products, goods, wares and merchandise at the time of the acquisition by the bank of such warehouse receipt, bill of lading, or security, unless the same was acquired without knowledge on the part of the bank of such lien.

Exception.

Sale of goods on non-payment of debt.

(3) In the event of the non-payment at maturity of any debt or liability secured by a warehouse receipt or bill of lading, or secured by any security given under section eighty-eight of this Act, the bank may sell the products, goods, wares and merchandise mentioned therein, or so much thereof as will suffice to pay such debt or liability with interest and expenses, returning the surplus, if any, to the person from whom the warehouse receipt, bill of lading, or security, or the products, goods, wares and merchandise mentioned therein, as the case may be, were acquired; but such power of sale shall be exercised subject to the following provisions, namely:—

Notice of sale of saw-logs, railway ties and lumber.

(a) No sale, without the consent in writing of the owner of any products of the forest shall be made under this Act until notice of the time and place of such sale has been given by a registered letter, mailed in the post office, post paid, to the last known address of the pledgor thereof, at least thirty days prior to the sale thereof;

Notice of sale of goods.

(b) No such products (other than products of the forest), and no goods, wares and merchandise shall be sold by the bank under this Act without the consent of the owner, until notice of the time and place of sale has been given by a registered letter, mailed in the post office, post paid, to the last known address of the pledgor thereof, at least ten days prior to the sale thereof;

Sale by auction.

(c) Every sale, under such power of sale, without the consent of the owner, shall be made by public auction, after notice thereof by advertisement in at least two newspapers published in or nearest to the place where the sale is to be made, stating the time and place thereof; and, if the sale is in the province of Quebec,

then at least one of such newspapers shall be a newspaper published in the English language, and one other such newspaper shall be a newspaper published in the French language.

Loan guaranteed by a third person.

(4) Where payment of a loan made by a bank under the provisions of section eighty-six or section eight-eight of this Act is guaranteed by a third person and such loan is paid by the guarantor, such guarantor shall be subrogated in and to all of the powers, rights and authority of the bank under the security which the bank holds in respect of the said loan under the provisions of the said sections eighty-six and eighty-eight. R.S., c. 12, s. 89, am.

Conditions under which bank may take security.

90. (1) The bank shall not acquire or hold any warehouse receipt or bill of lading, or any security as aforesaid, to secure the payment of any bill, note, debt, or liability, unless such bill, note, debt or liability is negotiated or contracted

(a) at the time of the acquisition thereof by the bank; or

(b) upon the written promise or agreement that a warehouse receipt or bill of lading or security as aforesaid, would be given to the bank:

Proviso.

Provided that such bill, note, debt or liability may be renewed, or the time for the payment thereof extended, without affecting any security so acquired or held.

(2) The bank may

Exchanging of warehouse receipt for bill of lading and *vice versa*.

(a) on the shipment of any products, goods, wares and merchandise for which it holds a warehouse receipt, or any such security as aforesaid, surrender such receipt or security and receive a bill of lading in exchange therefor;

(b) on the receipt of any products, goods, wares and merchandise, for which it holds a bill of lading, or any such security as aforesaid, surrender such bill of lading or security, store the products, goods, wares and merchandise and take a warehouse receipt therefor, or ship the products, goods, wares and merchandise, or part of them, and take another bill of lading therefor;

(c) surrender any bill of lading or warehouse receipt held by it and receive in exchange therefor any security that may be taken under this Act;

(d) when it holds any such security as aforesaid on grain in any elevator, take a bill of lading covering the same grain or grain of the same grade or kind shipped from such elevator, in lieu of such security, to the extent of the quantity shipped;

90. These amendments are proposed to remove a doubt as to the proper construction of this section. The opening part of the section speaks of "any warehouse receipt or bill of lading or any *such* security as aforesaid." The word "such," now omitted, lent itself to the possible interpretation that a particular warehouse receipt or bill of lading or security under section 88 was in contemplation when the promise was given, while in fact the promise has always been interpreted as meaning that a warehouse receipt or bill of lading or security under section 88 would be given as soon as the property became available for security purposes. Actually, the promise must in practically all cases be given before the goods to be covered by it can be identified. They may not even be in existence. "Such," for which "a" is now substituted in paragraph *(b)*, really was intended to connote the types of securities which are mentioned in the opening part of the section.

90. (1) The present subsection reads as follows:—

"The bank shall not acquire or hold any warehouse receipt or bill of lading, or any *such* security as aforesaid, to secure the payment of any bill, note, debt, or liability, unless such bill, note, debt or liability is negotiated or contracted

(a) at the time of the acquisition thereof by the bank; or

(b) upon the written promise or agreement that *such* warehouse receipt or bill of lading or security would be given to the bank:

Provided that such bill, note, debt or liability may be renewed, or the time for the payment thereof extended, without affecting any *such* security."

90. (2) *(c)*, *(d)* and *(e)*. Paragraph *(c)* is in harmony with and supplemental to the principles in the antecedent paragraphs *(a)* and *(b)* which provide for the acquisition of one kind of security in exchange for one already held, but which do not enable an importer to give a bank a security upon goods which have come into his possession through the action of the bank in delivering to him the bill

(e) when it holds any security whatsoever covering grain, take, in lieu of such security to the extent of the quantity covered by the security taken, a bill of lading or warehouse receipt for, or any document entitling it under the provisions of *The Canada Grain Act*, to the delivery of, the same grain or grain of the same grade or kind. R.S., c. 12, s. 90, am.

Interest exceeding 7% shall not be charged.

91. (1) The bank shall not in any part of Canada, excepting the Territories, stipulate for, charge, take, reserve or exact any rate of interest or discount exceeding seven per centum per annum and no higher rate of interest or discount shall be recoverable by the bank, and every bank which violates the provisions of this subsection shall be guilty of an offence, and for every such offence shall be liable, on summary conviction, to a fine not exceeding five hundred dollars, and every one who, being a manager or officer of any bank, violates the said provisions shall be guilty of an offence, and for every such offence shall be liable, on summary conviction, to a fine not exceeding one hundred dollars: Provided, however, that in a case where the interest or discount amounts to less than one dollar the bank may stipulate for, charge, take, reserve or exact a total charge not exceeding one dollar: *Provided, further, that when the advance or loan is not in excess of twenty-five dollars, and the interest or discount thereon amounts to less than fifty cents, the maximum charge shall not exceed fifty cents.*

Return to Minister.

(2) The bank shall make a semi-annual return to the Minister, as of the last juridical day of the months of June and December in each year, giving such particulars as may be prescribed by regulations made by the Treasury Board of the interest and discount rates charged by the bank.

Signature to returns.

(3) Such returns shall be made up and sent in within the first thirty days after the respective juridical days aforesaid, and shall be signed by the same persons as are required to sign the monthly returns made to the Minister under section one hundred and twelve of this Act.

Charge for keeping accounts.

(4) No bank shall directly or indirectly charge or receive any sum whatsoever for the keeping of any account unless such charge is made by express agreement between the bank and the customer. R.S., c. 12, s. 91, am.

Interest on deposits.

92. (1) The bank may allow any rate of interest whatever upon money deposited with it.

of lading accompanying the foreign draft which has been taken up by the bank. Paragraph *(c)* authorizes this to be done.

Paragraphs *(d)* and *(e)* deal with security upon grain. These amendments are rendered necessary to bring the provisions of the *Bank Act* into accord with the method of handling grain recognized by the *Canada Grain Act* as enacted in 1930 and amended in 1933. Paragraph *(d)* is particularly intended to cover the shipment, usually from the country elevator to a terminal elevator, of grain upon which the bank holds security, permitting the bank to take a bill of lading on the grain shipped, in lieu of the security it holds. Under the subsection the bill of lading may cover the same grain, or other grain of the same grade or kind. Paragraph *(e)* is intended to maintain for the bank a continuous security upon the same or substituted grain from interior points to the seaboard.

91. (1) The present subsection reads as follows:—

"**91.** The bank may stipulate for, take, reserve or exact any rate of interest or discount not exceeding seven per cent per annum and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank."

The Banking Commission recommended by 4 to 1 that this subsection should be repealed, but that if retained, a penalty clause should be added.

91. (2) The underlined words "semi-annual" are inserted in place of the word "quarterly."

Liability of bank on deposits.

(2) The liability of the bank, under any law, custom or agreement to repay moneys heretofore or hereafter deposited with it and interest, if any, shall continue, notwithstanding any statute of limitations, or any enactment or law relating to prescription. R.S., c. 12, s. 92.

Percentage chargeable for collection.

93. When any note, bill, or other negotiable security or paper, payable, at any of the bank's places or seats of business, branches, agencies or offices of discount and deposit in Canada, is discounted at any other of the bank's places or seats of business, branches, agencies or offices of discount and deposit, the bank may, in order to defray the expenses attending the collection thereof, receive or retain in addition to the discount thereon, a percentage calculated upon the amount of such note, bill, or other negotiable security or paper, not exceeding one-eighth of one per centum: Provided that the bank may make a minimum charge of fifteen cents. R.S., c. 12, s. 93.

Agency charges.

94. The bank may, in discounting any note, bill or other negotiable security or paper, *bona fide* payable at any place in Canada, other than that at which it is discounted, and other than one of its own places or seats of business, branches, agencies or offices of discount and deposit in Canada, receive and retain, in addition to the discount thereon, a sum not exceeding one-fourth of one per centum on the amount thereof: Provided that the bank may make a minimum charge of twenty-five cents. R.S., c. 12, s. 94.

Deposits may be received from persons unable to contract.

95. (1) The bank may, subject to the provisions of this section, without the authority, aid, assistance or intervention of any other person or official being required,

(a) receive deposits from any person whomsoever, whatever his age, status or condition in life, and whether such person is qualified by law to enter into ordinary contracts or not; and

(b) from time to time *pay* any or all of the principal thereof, and *any or all* of the interest thereon, to *or to the order* of such person, unless before such *payment* the money so deposited in the bank is lawfully claimed as the property of some other person.

Payments by consent.

(2) In the case of any such lawful claim the money so deposited may be paid to the depositor with the consent of the claimant, or to the claimant with the consent of the depositor. R.S., c. 12, s. 95, am.

Bank not bound to see to trust in deposits.

96. (1) The bank shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any deposit made under the authority of this Act is subject.

95. (3) The Banking Commission recommends that this subsection, which restricts the right of deposits and withdrawals by married women in Quebec, should be amended so as to leave their rights unrestricted.

The purpose will be served by omitting the subsection. It reads as follows:—

"(3) If the person making any such deposit could not, under the law of the province where the deposit is made, deposit and withdraw money in and from a bank without this section, the total amount to be received from such person on deposit shall not, at any time, exceed the sum of two thousand dollars."

Receipt where deposit subject to trust.

(2) *If any deposit made under the authority of this Act is subject to a trust of which* the bank has notice, the receipt *or cheque* of the person in whose name any such deposit stands, or, if it stands in the names of two *or more than two* persons, the receipt *or cheque of all such persons* or of such of them as under the document creating the trust may be entitled to receive such deposit shall, notwithstanding any trust to which such deposit is then subject, be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit, and the bank shall not be bound to see to the application of any money paid upon such receipt *or cheque*.

Receipt of one of two depositors.

(3) Except only in the case of a lawful claim by some other person before repayment, the receipt *or cheque* of the person in whose name any deposit stands, or, if it stands in the name of two persons, the receipt *or cheque* of one, or if it stands in the names of more than two persons the receipt *or cheque* of a majority of such persons, shall be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit.

Garnishee order affects only branch where served.

(4) An attaching or garnishee order or summons shall only affect and bind moneys to the credit of the debtor at the branch, agency or office of the bank where such order or summons or notice thereof is served. R.S., c. 12, s. 96.

If depositor dies, claim not exceeding $500, how proved.

97. (1) If a person dies, having a deposit with the bank not exceeding the sum of five hundred dollars, the production to the bank of

(a) any authenticated copy of the probate of the will of the deceased depositor, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, Northern Ireland or any British Dominion or colony, or of any testament-testamentar or testament-dative expede in Scotland;

(b) an authentic notarial copy of the will of the deceased depositor, if such will is in notarial form, according to the law of the province of Quebec; or

(c) if the deceased depositor died outside of His Majesty's dominions, any authenticated copy of the probate of his will, or of letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters

shall be sufficient justification and authority to the directors for paying such deposit, in pursuance of and in conformity to such probate, letters of administration, or other documents as aforesaid.

Deposit of copy of document.

(2) When the authenticated copy or other document of like import is produced to the bank under subsection one

97. (1) The present paragraph reads as follows:—

"**97.** If a person dies, having a deposit with the bank not exceeding the sum of five hundred dollars, the production to the bank of

(a) any authenticated copy of the probate of the will of the deceased depositor, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, *Ireland or any British colony*, or of any testament, testamentary or testament dative expede in Scotland;"

of this section, there shall be deposited with the bank a true copy thereof. R.S., c. 12, s. 97, am.

DOMINION GOVERNMENT CHEQUES.

Official cheques and cheques payable to government to be paid at par.

98. The bank shall not make any charge for cashing any cheque drawn on the Receiver General or on his account in the Bank of Canada or in any other bank or for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund or upon any cheque drawn in favour of the Government of Canada or any department thereof and tendered for deposit in the Consolidated Revenue Fund. R.S., c. 12, s. 98, am.

PURCHASE OF THE ASSETS OF A BANK.

Bank may sell assets to another bank.

99 (1) Any bank may sell the whole or any portion of its assets to any other bank which may purchase such assets; and the selling and purchasing banks may, for such purposes, enter into an agreement of sale and purchase, which agreement shall contain all the terms and conditions connected with the sale and purchase of such assets.

Consent of Minister.

(2) No agreement by a bank to sell the whole or any portion of its assets to another bank shall be made unless and until the Minister, in writing, consents that an agreement under subsection one of this section may be entered into between the two banks. R.S., c. 12, s. 99.

Consideration.

100. (1) The consideration for any such sale and purchase may be as agreed upon between the selling and purchasing banks.

If in shares of capital stock.

(2) If the consideration, or any portion thereof, is shares of the capital stock of the purchasing bank, the agreement shall provide for the amount of the shares of the purchasing bank to be paid to the selling bank.

Not considered issued until sold or distributed.

(3) Until such shares so paid to the selling bank have been sold by such bank, or have been distributed among and accepted by the shareholders of such bank, they shall not be considered issued shares of the purchasing bank for the purposes of its note circulation. R.S., c. 12, s. 100.

Agreement of sale to be submitted to shareholders at meeting.

101. (1) The agreement of sale and purchase shall be submitted to the shareholders of the selling and purchasing banks, either at the annual general meeting of the respective banks or at a special general meeting thereof called for the purpose.

Copy to each shareholder by mail

(2) A copy of the agreement shall be mailed, post paid, to every shareholder of each bank to his last known address, at least four weeks previously to the date of the meeting at which the agreement is to be submitted, together with a notice of the time and place of the holding of such meeting. R.S., c. 12, s. 101.

98. The present section is as follows:—

"**98.** The bank shall not charge any discount or commission for the cashing of any official cheque of the Government of Canada or of any department thereof, whether drawn on the bank cashing the cheque or on any other bank, nor upon any cheque drawn in favour of the Government of Canada or any department thereof, and tendered for deposit to the credit of the Receiver General of Canada."

The change is made to bring the section into line with present and prospective administrative procedure and conforms closely to a similar section in the *Consolidated Revenue and Audit Act.*

Agreement may be executed if they approve.

102. (1) If at each meeting the agreement is approved by resolution carried by the votes of shareholders, present or represented by proxy, representing not less than two-thirds of the amount of the subscribed capital stock of the bank, the agreement may be executed under the seals of the banks, parties thereto, and application may be made to the Governor in Council, through the Minister, for approval thereof.

Approval of Governor in Council.

(2) Until the agreement is approved by the Governor in Council it shall not be of any force or effect. R.S., c. 12, s. 102.

Approval of shareholders of purchasing bank.

103. If the agreement provides for the payment of the consideration for such sale and purchase, in whole or in part, in shares of the capital stock of the purchasing bank, and for such purpose it is necessary to increase the capital stock of such bank, a by-law for the purpose may be passed by the shareholders at the meeting called to approve of the agreement. R.S., c. 12, s. 103.

Necessary increase of stock may be approved.

104. The Governor in Council may, on the application for his approval of the agreement, approve of the increase of the capital stock of the purchasing bank, which is necessary to provide for the payment of the shares of such bank to the selling bank, as provided in the said agreement. R.S., c. 12, s. 104.

Ordinary provisions for increase not to apply.

105. The provisions of this Act with regard to

(a) the increase of the capital stock of the bank by by-law of the shareholders approved by the Treasury Board; and

(b) the allotment and sale of such increased stock

shall not apply to any increase of stock made or provided for under the authority of the last two preceding sections. R.S., c. 12, s. 105.

Conditions on which Governor in Council may approve agreement.

106. (1) The approval of the Governor in Council shall not be given to the agreement, unless

(a) the consent of the Minister as prescribed by sub-section two of section ninety-nine of this Act has been given;

(b) the approval of the agreement is recommended by the Treasury Board;

(c) the application for approval thereof is made, by or on behalf of the bank executing it, within three months from the date of execution of the agreement; and

(d) it appears to the satisfaction of the Governor in Council that all the requirements of this Act in connection with the approval of the agreement by the shareholders of the selling and purchasing banks have been complied with, and that, after the approval by

the shareholders of the selling bank, notice of the intention of the banks to apply to the Governor in Council for the approval of the agreement has been published for at least four weeks in the Canada Gazette, and in one or more newspapers published in places where the chief offices of the banks are situate.

Information.

(2) Such banks shall afford all information that the Minister requires.

Approval may be refused.

(3) Nothing herein contained shall be construed to prevent the Governor in Council or the Treasury Board from refusing to approve of the agreement or to recommend its approval. R.S., c. 12, s. 106.

Further conditions.

107. (1) The agreement shall not be approved of unless it appears that

(a) proper provisions have been made for the payment of the liabilities of the selling bank;

(b) the agreement provides for the assumption and payment by the purchasing bank of the notes of the selling bank issued and intended for circulation, outstanding and in circulation; and

(c) the amounts of the notes of both the purchasing and selling banks, issued for circulation, outstanding and in circulation, as shown by the then last monthly returns of the banks, do not together exceed the then paid-up capital of the purchasing bank and the amount, if any, held for both of the said banks in the central gold reserves referred to in this Act; or if the amount of such notes does exceed such paid-up capital and the amount so held, an amount in cash, equal to the excess of such notes over such paid-up capital and the amount so held, has been deposited by the purchasing bank with the Minister.

Deposit.

(2) The amount so deposited under paragraph *(c)* of subsection one of this section shall be held by the Minister as security for the redemption of the said excess of notes; and when the amount of the notes of the two banks outstanding and in circulation is less than the aggregate of the paid-up capital of the purchasing bank, the amount aforesaid, if any, held in the central gold reserves, together with the amount so deposited, the difference shall, from time to time, be repaid by the Minister out of the deposit, to the extent thereof, to the purchasing bank, but without interest, on the application of such bank, and on the production of such evidence as the Minister may require to show the amount of the notes of the two banks then outstanding and in circulation. R.S., c. 12, s. 107.

Notes of selling bank to become notes of

108. (1) The notes of the selling bank so assumed and to be paid by the purchasing bank shall, on the approval of the agreement, be deemed to be, for all intents and pur-

purchasing bank.

poses, notes of the purchasing bank issued for circulation; and the purchasing bank shall be liable in the same manner and to the same extent as if it had issued them for circulation.

Circulation Fund.

(2) The amount at the credit of the selling bank in the Circulation Fund shall, on the approval of the agreement, be transferred to the credit of the purchasing bank.

As to withdrawal of deposit in central gold reserves.

(3) The trustees shall not permit any part of the deposit, if any, of the selling bank in the central gold reserves to be withdrawn under the provisions of this Act after the last juridical day of the month in which notice of intention to apply to the Governor in Council for approval of the agreement has been given and pending such approval, unless and until the trustees are notified in writing by the Minister of his consent thereto; and on the approval of the agreement the trustees shall hold the deposit, if any, for and as if such deposit had been originally made by the purchasing bank.

Notes to be called in.

(4) The notes of the selling bank shall not be reissued, but shall be called in, redeemed and cancelled as quickly as possible. R.S., c. 12, s. 108.

Evidence of approval by Governor in Council.

109. (1) The approval of the Governor in Council of the agreement shall be evidenced by a certified copy of the Order in Council approving thereof.

Orders in Council conclusive.

(2) A copy of such Order in Council or extract thereof, and a copy of such agreement, purporting to be certified to be true by the clerk or assistant or acting clerk of the King's Privy Council for Canada shall, in all courts of justice and for all purposes, be *prima facie* evidence of the said agreement, and of its due execution, and of its approval by the Governor in Council, and of the regularity of all proceedings in connection therewith. R.S., c. 12, s. 109.

On approval of Governor in Council the assets pass.

110. (1) On the agreement being approved of by the Governor in Council, the assets therein referred to as sold and purchased shall, in accordance with and subject to the terms thereof, and without any further conveyance, become vested in the purchasing bank.

Further assurance.

(2) The selling bank shall, from time to time, subject to the terms of the agreement, execute such formal and separate conveyances, assignments and assurances, for registration purposes or otherwise, as are reasonably required to confirm or evidence the vesting in the purchasing bank of the full title or ownership of the assets referred to in the agreement. R.S., c. 12, s. 110.

Selling bank to cease business and be wound up.

111. As soon as the agreement is approved of by the Governor in Council, the selling bank shall cease to issue or reissue notes for circulation, and shall cease to transact any business, except such as is necessary to enable it to carry out the agreement, to realize upon any assets not included in the agreement, to pay and discharge its lia-

bilities, and generally to wind up its business; and the charter or Act of incorporation of such bank, and any Acts in amendment thereof then in force, shall continue in force only for the purposes in this section specified. R.S., c. 12, s. 111.

RETURNS.

Monthly returns.

112. (1) The bank shall, within the first twenty-eight days of each month, transmit or deliver to the Minister a return in the form set forth in Schedule H to this Act: Provided, however, that the Governor in Council shall have power from time to time to make such amendments and additions to the said schedule *as he may deem expedient.*

What return shall show.

(2) Such return shall exhibit the condition of the bank on the last juridical day of the month last preceding.

When return last received may be used.

(3) Notwithstanding anything in this section, whenever, in the usual course of the post, the return of a branch or agency for the last juridical day of the month, mailed at the branch or agency on or before the second day of the following month, does not reach

(a) the chief office of the bank on or before the eighteenth day of the month; or

(b) the office of the general manager, if the office of the general manager is at a place other than the chief office of the bank, on or before the fifteenth day of the month

the return last received from any such branch, exhibiting as far as that branch is concerned the condition of the bank at the date for which it purports to be made, may be used in the preparation of the monthly return called for by this section.

Copy to Bank of Canada.

(4) After the date on which the Bank of Canada is authorized to commence business the bank shall transmit or deliver to the Bank of Canada a copy of the return required by subsection one hereof within the time prescribed thereby.

Special returns.

(5) The Minister may also call for other or special returns from any bank, and may require that the bank shall transmit or deliver such other or special returns at monthly or other prescribed periods, or whenever in his judgment they are necessary to afford a full and complete knowledge of its condition.

Within 30 days from demand.

(6) The Minister may prescribe the time within which such other or special returns shall be transmitted or delivered to him; but unless otherwise prescribed the time within which any monthly or other periodic return shall be transmitted or delivered, shall be the time allowed by this section for a monthly return: Provided that the Minister may extend the time for transmitting any special return for such further period, not exceeding thirty days, as he thinks expedient. R.S., c. 12, s. 112, am.

Return accompanied by declaration.

How signed.

113. (1) Every return provided for or required under the last preceding section shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule H to this Act, and shall be signed by the chief accountant or by the acting chief accountant, and by the president, or a vice-president, or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the declaration is signed.

Names of directors, president and vice-president sent to Minister.

Vacancy.

(2) *The bank shall within thirty days* after the annual general meeting *transmit or deliver* to the Minister *a return showing* the name and address of each director elected thereat *together with a list of the banks, firms, companies and corporations of which he is a director or partner,* and the names of the president and vice-presidents; and should any vacancy occur in the membership of the board of directors or in the office of president or vice-president, the *bank* shall forthwith *notify the Minister* of the name *and address* of the person by whom the vacancy has been filled *together with a list of the banks, firms, companies and corporations of which he is a director or partner.*

Notice to Minister of change of officers.

(3) If any change is made in the holder of the office of chief accountant or of general manager, the Minister shall forthwith be notified of the name of the person by whom the vacancy has been filled.

Return to show true position.

(4) Notwithstanding anything in the last preceding section contained it shall not, except as to the chief accountant or acting chief accountant of the bank, be sufficient for the purposes of any return provided for or required under the said section that such return agrees with the books of the bank, but the return shall set forth the true financial position of the bank on the last juridical day of the month last preceding the date of the return according to the latest information possessed by or reasonably available to the officers or any of them who sign the return.

Current loans not to include.

(5) For the purposes of any return provided for or required under the last preceding section, or for the purposes of any statement or balance sheet prepared and issued by a bank, there shall not be included amongst "current loans," any loan in respect of which

(a) the borrower has not for a period of two years preceding the date of such return, statement or balance sheet, paid the interest thereon at the rate agreed, in cash, unassisted by the bank;

(b) the bank has taken possession of the property or any part of the property covered by any security given by the borrower with the intention of realizing thereon, or has realized or taken any step or proceeding for the purpose of realizing upon any security given by the borrower;

(c) the bank has commenced an action at law to recover from the borrower the amount of the loan or any part thereof;

(d) the borrower has made an abandonment of his estate for the benefit of his creditors or any of them; or

(e) there is other cause, sufficient in the opinion of the manager of the branch of the bank where such loan is domiciled, or in the opinion of any director or officer of the bank who prepares, signs, approves or concurs in such return, statement or balance sheet, for deeming such loan not to be a current loan.

(6) Any loan falling within the last preceding subsection may be included amongst current loans if the directors declare that after due inquiry they have approved such loan as a current loan.

Controlled corporations.

(7) Whenever a bank carries on any part of its operations in the name of a corporation controlled by such bank, then such bank shall, for the purposes of any return required under the last preceding section, transmit or deliver therewith a separate return, showing the assets and liabilities of each such corporation, and the interest of the bank in such corporations shall be shown separately in any return respecting the affairs of the bank.

Amounts written off bank premises.

(8) Whenever a bank has appropriated out of its profits for any period, with the consent and approval of its shareholders had and obtained at any annual or special general meeting, any sum for the writing down of its bank premises or other assets, no portion of such sum so appropriated shall be again taken into account for the purposes of any return required under the last preceding section, or for the purposes of any statement prepared and issued by the bank, without the consent and approval of its shareholders, in like manner first had and obtained. R.S., c. 12, s. 113.

Annual returns of unpaid dividends and balances.

114. (1) The bank shall, within thirty days after the close of each calendar year, transmit or deliver to the Minister a return as at the end of such calendar year

(a) of all dividends which have remained unpaid for more than five years; and

(b) of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid, during the five years prior to the date of such return:

Provided that, in the case of moneys deposited for a fixed period, the said term of five years shall be reckoned from the date of the termination of such fixed period.

What return shall show.

(2) The return mentioned in the last preceding subsection shall set forth

(a) the name of each shareholder or creditor to whom such dividends, amounts or balances are, according to the books of the bank, payable;

(b) the last known address of each such shareholder or creditor;

(c) the amount due to each such shareholder or creditor;

(d) the branch or agency of the bank at which the last transaction took place;

(e) the date of such last transaction; and

(f) if such shareholder or creditor is known to the bank to be dead, the names and addresses of his legal representatives, so far as known to the bank.

Further annual return.

(3) The bank shall likewise, within thirty days after the close of each calendar year, transmit or deliver to the Minister a return of all certified cheques, drafts or bills of exchange, issued by the bank to any person, and remaining unpaid for more than five years prior to the date of such return, setting forth so far as known,

Particulars.

(a) the names of the persons to whom, or at whose request, such drafts, certified cheques, or bills of exchange were issued;

(b) the addresses of such persons;

(c) the names of the payees of such drafts or bills of exchange;

(d) the amounts and dates of such certified cheques, drafts or bills of exchange;

(e) the names of the places where such certified cheques, drafts or bills of exchange were payable; and

(f) the branches or agencies of the bank respectively from which such drafts, certified cheques, or bills of exchange were issued.

Amounts under five dollars.

(4) If a dividend, amount or balance, certified cheque draft, or bill of exchange is for a less sum than ten dollars and returns in respect thereof have been made under the preceding provisions of this section for two consecutive years, the bank may hereafter omit from the respective returns particulars required by the said provisions with regard to any such dividend, amount or balance, certified cheque, draft or bill of exchange.

Declarations and signatures.

(5) The returns required by the foregoing provisions of this section shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule J to this Act, and shall be signed by the chief accountant, and by the president or a vice-president or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the declaration is signed.

Notice that dividend draft or cheque remains unpaid.

(6) The bank shall transmit by registered post to the person to whom any such dividend, amount or balance is payable, and to the person to whom, in so far as known to the bank, and to the person at whose request any such draft, certified cheque or bill of exchange was issued, to the last known post office address of each person as shown by the books of the bank, a notice in writing stating that such dividend remains unpaid, or that in respect of such amount or balance no transaction has taken place or no interest has been paid, or that such draft, certified cheque or bill remains unpaid, as the case may be.

114. (4) The underlined word "ten" in the second line of this subsection is substituted for the word "five", and the underlined word "two" in the fourth line is substituted for the word "five". There is no other change.

When notice to be given.

(7) The notice called for by the next preceding subsection shall be given twice, namely, during the month of January next after the end of the first two-year period and also during the month of January next after the end of the first five-year period in respect of which

(a) the dividend has remained unpaid;

(b) no transaction has taken place or no interest has been paid in connection with such amount or balance; or

(c) the draft, certified cheque or bill has remained unpaid.

Certified annual return of shareholders transmitted to Minister.

(8) The bank shall, within thirty days after the close of each calendar year, transmit or deliver to the Minister a return of shareholders as at the end of such calendar year, certified by the general manager or other principal officer of the bank next in authority, in the management of the affairs of the bank at the time at which the return is certified, and by the officer of the bank in charge of the register of shareholders, to be a correct return and in accordance with the books of the bank with regard thereto.

Particulars.

(9) Such return shall show

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses;

(b) the number of shares then held by them respectively; and

(c) the amount, if any, remaining to be paid thereon.

Return of classification of loans.

(10) The bank shall once in each year transmit or deliver to the Minister a return of the aggregate amount of all loans made by the bank within Canada outstanding at a date to be specified by the Treasury Board, classified according to industries and businesses, and the Treasury Board may make such regulations as may be deemed necessary to give effect to the provisions of this subsection.

Return of classification of deposits.

(11) The bank shall once in each year transmit or deliver to the Minister a return in respect of all deposits by the public held by the bank in Canada at a date to be specified by the Treasury Board, showing as to deposits payable on demand and also as to deposits payable after notice, the number and aggregate amount of such deposits in each of the following classes:—

1. Deposits under $1,000.
2. Deposits over $1,000 to $5,000.
3. Deposits over $5,000 to $25,000.
4. Deposits over $25,000 to $100,000.
5. Deposits in excess of $100,000.

Laid before Parliament.

(12) The returns referred to in subsections one to nine inclusive of this section and a compilation for all banks of the respective items of information contained in the returns required by subsections ten and eleven of this section shall be laid before Parliament by the Minister at the next session thereof. R.S., c. 12, s. 114, am.

114. (8) The word "return" has been substituted for "list" to designate the information required by this subsection.

114. (9) *(a)*. The present paragraph reads as follows:—

"(9) Such list shall show

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses *and descriptions*;"

The last two words are omitted.

Paragraph (9) *(c)* reads at present:—

"*(c)* the amount paid thereon."

PAYMENTS TO THE MINISTER UPON WINDING-UP.

Unclaimed moneys paid to Minister on winding-up of bank.

115. (1) If, in the event of the winding-up of the business of the bank in insolvency, or under any general winding-up Act, or otherwise, any moneys payable by the liquidator, either to shareholders or depositors, remain unclaimed,

(a) for the period of three years from the date of suspension of payment by the bank;

(b) for a like period from the commencement of the winding-up of such business; or

(c) until the final winding-up of such business, if the business is finally wound up before the expiration of the said three years,

With interest.

such moneys and all interest thereon shall, notwithstanding any statute of limitations or other Act relating to prescription, be paid to the Minister, to be held by him subject to all rightful claims on behalf of any person other than the bank.

Governor in Council may order payment to person entitled.

(2) If a claim to any moneys so paid is thereafter established to the satisfaction of the Minister he may direct payment thereof to be made to the person entitled thereto, together with interest on the principal sum thereof, at the rate of three per centum per annum for a period not exceeding six years from the date of payment thereof to the Minister as aforesaid: Provided that no such interest shall be paid or payable on such principal sum unless interest thereon was payable by the bank paying the same to the Minister.

Interest.

Bank discharged.

(3) Upon payment to the Minister as herein provided, the bank and its assets shall be held to be discharged from further liability for the amounts so paid. R.S., c. 12, s. 115, am.

Circulation outstanding at distribution of assets.

116. (1) Upon the winding-up of a bank in insolvency or under any general winding-up Act, or otherwise, the assignees, liquidators, directors, or other officials in charge of such winding-up shall, before the final distribution of the assets, or within three years from the commencement of the suspension of payment by the bank, whichever shall first happen, pay over to the Minister a sum, out of the assets of the bank, equal to the difference between the amount then outstanding of the notes intended for circulation issued by the bank, together with any interest on such outstanding notes which may have accrued under section sixty-five of this Act, and the aggregate of the amount at the credit of the bank in the Circulation Fund and the amount, if any, paid to the Minister by the trustees under section sixty-one of this Act.

Bank relieved.

(2) Upon such payment being made, the bank and its assets shall be relieved from all further liability in respect of such outstanding notes.

Minister to redeem.

(3) The sum so paid shall be held by the Minister and applied for the purpose of redeeming, whenever presented,

115. (2) The first lines of the existing subsection read as follows:—

"(2) If a claim to any moneys so paid is thereafter established to the satisfaction of the *Treasury Board, the Governor in Council shall, on the report of the Treasury Board,* direct payment thereof to be made to the person entitled thereto."

such outstanding notes, without interest, except such as may have been paid over under this section. R.S., c. 12, s. 116.

CURATOR

Association to appoint curator.

117. The *Minister* shall, if a bank suspends payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, forthwith appoint *in writing* a curator to supervise the affairs of such bank.

Removal.

118. The *Minister* may at any time remove the curator and may appoint *in writing* another person to act in his stead. R.S., c. 12, s. 117, am.

Powers and duties of curator.

119. (1) The curator shall assume supervision of the affairs of the bank, and of all necessary arrangements for the payment of the notes of the bank issued for circulation, and, at the time of his appointment, outstanding and in circulation.

Generally.

(2) The curator shall generally have all powers and shall take all steps and do all things necessary or expedient to protect the rights and interests of the creditors and shareholders of the bank, and to conserve and ensure the proper disposition, according to law, of the assets of the bank; and, for the purposes of this section, he shall have free and full access to all books, accounts, documents and papers of the bank.

Supervision.

(3) The curator shall continue to supervise the affairs of the bank until he is removed from office, or until the bank resumes business, or until a liquidator is duly appointed to wind up the business of the bank. R.S., c. 12, s. 119.

Officers and clerks to assist curator.

120. The president, vice-president, directors, general manager, managers, clerks and officers of the bank shall give and afford to the curator all such information and assistance as he requires in the discharge of his duties. R.S., c. 12, s. 120.

No act of directors valid unless approved by curator.

121. No by-law, regulation, resolution or act, touching the affairs or management of the bank, passed, made or done by the directors during the time the curator is in charge of the bank, shall be of any force or effect until approved in writing by the curator. R.S., c. 12, s. 121.

Curator to make returns as required by Minister.

122. The curator, or liquidator shall make all returns and reports, and shall give all information to the Minister, touching the affairs of the bank, that the Minister requires of him. R.S., c. 12, s. 122.

Remuneration of curator.

123. The remuneration of the curator for his services, and his expenses and disbursements in connection with the discharge of his duties, shall be fixed and determined by a judge of a superior court in the province where the chief office of the bank is situate, and shall be paid out of the assets of the bank, and, in case of the winding-up of the

117. *The Committee have substituted the Minister for the Association in respect to the appointment and removal of the curator.*

bank, shall rank on the estate equally with the remuneration of the liquidator. R.S., c. 12, s. 123.

BY-LAWS OF THE CANADIAN BANKERS' ASSOCIATION.

By-laws.

124. (1) The Association may, at any meeting thereof, with the approval of two-thirds in number of the banks represented at such meeting, if the banks so approving have at least two-thirds in par value of the paid-up capital of the banks so represented, make by-laws, rules and regulations respecting

As to what subjects.

(a) the supervision of the making of the notes of the banks which are intended for circulation, and the delivery thereof to the banks;

(b) the inspection of the disposition made by the banks of such notes;

(c) the destruction of notes of the banks;

(d) the custody and management of the central gold reserves and the carrying out of the provisions of this Act relating to such reserves; and

(e) the imposition of penalties, *not exceeding the sum of one thousand dollars*, for the breach or non-observance of any by-law, rule or regulation made by virtue of this section.

Approved by Treasury Board.

(2) No such by-law, rule or regulation, and no amendment or repeal thereof, shall be of any force or effect until approved by the Treasury Board.

Enforcement of by-laws.

(3) The Association shall have all powers necessary to carry out, or to enforce the carrying out, of any by-law, rule or regulation, or any amendment thereof, so approved by the Treasury Board. R.S., c. 12, s. 124.

INSOLVENCY.

Liability of shareholders.

125. (1) In the event of the property and assets of the bank being insufficient to pay its debts and liabilities, each shareholder of the bank shall be liable for the deficiency to an amount equal to the par value of the shares held by him, in addition to any amount not paid up on such shares.

(2) On and from the day on which the Bank of Canada is authorized to commence business the liability of a shareholder of a bank under this section, in addition to any amount not paid up on his shares, shall not exceed that proportion of the par value of the shares held by him which the amount of notes which the bank is authorized by this Act to have in circulation in Canada bears to the paid-up capital of the bank.

"Shareholder" defined.

(3) "Shareholder," within the meaning of this section, shall include an undisclosed principal and, to the extent of his interest, a *cestui que trust*, on whose behalf or for whose benefit shares in the capital stock of the bank are held. R.S., c. 12, s. 125, am.

124. *The Committee have eliminated paragraph (a) of this section, as it stood in the existing Act, and have re-lettered the paragraphs. They also insert the words "not exceeding the sum of one thousand dollars" in paragraph (e). The existing paragraph (a) reads as follows:—*

"(a) all matters relating to the appointment or removal of the curator, and his powers and duties;"

125. (2) This subsection provides for a reduction in the double liability of shareholders in proportion to the withdrawal of the right of note issue under section 61.

The Committee have taken out the words "plus the amount of the notes of the bank issued and in circulation elsewhere than in Canada" after the word "Canada" in line 40.

Suspension for 90 days to constitute insolvency.

126. Any suspension by the bank of payment of any of its liabilities as they accrue, in specie or Dominion or Bank of Canada notes, shall, if it continues for ninety days consecutively, or at intervals within twelve consecutive months, constitute the bank insolvent, and work a forfeiture of its charter or Act of incorporation, so far as regards all further banking operations. R.S., c. 12, s. 126, am.

Charter to remain in force for calls and winding-up.

127. The charter or Act of incorporation of the bank shall, in the case mentioned in the next preceding section, remain in force only for the purpose of enabling the directors, or other lawful authority, to make and enforce the calls mentioned in the next following section of this Act, and to wind up the business of the bank. R.S., c. 12, s. 127.

If no proceedings within 3 months thereafter, directors to make calls

128. (1) If any suspension of payment in full, in specie or Dominion or Bank of Canada notes, of all or any of the notes or other liabilities of the bank, continues for three months after the expiration of the time which, under the two last preceding sections would constitute the bank insolvent, and if no proceedings are taken under any Act for the winding-up of the bank, the directors shall make calls on the shareholders thereof to the amount they deem necessary to pay all the debts and liabilities of the bank not exceeding the limit of liability of the shareholders hereinbefore specified, without waiting for the collection of any debts due to the bank or the sale of any of its assets or property.

Intervals

(2) Such calls shall be payable at intervals of thirty days.

Notice.

(3) Notice of such calls shall be given to the shareholders.

Number.

(4) Any number of such calls may be made by one resolution.

Amount.

(5) No such call shall exceed twenty per centum on each share.

Payment.

(6) Payment of such calls may be enforced in like manner as payment of calls on unpaid stock may be enforced.

First call.

(7) The first of such calls may be made within ten days after the expiration of the said three months.

Procedure.

(8) In the event of proceedings being taken under any Act for the winding-up of the bank in consequence of the insolvency of the bank, the said calls shall be made in the manner prescribed for the making of such calls in such Act.

Forfeiture for non-Payment.

(9) Any failure on the part of any shareholder liable to any such call to pay the same when due shall work a forfeiture by such shareholder of all claim in or to any part of the assets of the bank: Provided that such call and any further call thereafter shall nevertheless be recoverable from him as if no such forfeiture had been incurred. R.S., c. 12, s. 128, am.

Proviso.

Liability of directors not diminished.

129. Nothing in the four sections last preceding shall be construed to alter or diminish the additional liabilities of the directors as herein mentioned and declared. R.S., c. 12, s. 129.

Liability of shareholders who have transferred their stock.

130. *(a)* Persons who, having been shareholders of the bank, have only transferred their shares, or any of them, to others, as hereinbefore provided, within sixty days before the commencement of the suspension of payment by the bank; and

Or whose subscriptions have been cancelled.

(b) Persons whose subscriptions to the stock of the bank have been forfeited, in manner hereinbefore provided, within the said period of sixty days before the commencement of the suspension of payment by the bank

shall be liable to all calls on the shares held or subscribed for by them, as if they held such shares at the time of such suspension of payment, saving their recourse against those by whom such shares were then actually held. R.S., c. 12, s. 130.

Order of charges. Notes.

131. In the case of the insolvency of any bank

(a) the payment of the notes issued or reissued by such bank, intended for circulation, and then in circulation, together with any interest paid or payable thereon as hereinbefore provided, shall be the first charge upon the assets of the bank;

Dominion Government.

(b) the payment of any amount due to the Government of Canada, in trust or otherwise, shall be the second charge upon such assets;

Provincial governments.

(c) the payment of any amount due to the government of any of the provinces, in trust or otherwise, shall be the third charge upon such assets; and

Penalties.

(d) the amount of any penalties for which the bank is liable shall not form a charge upon the assets of the bank, until all other liabilities are paid. R.S., c. 12, s. 131.

OFFENCES AND PENALTIES.

Payments of Incorporation and Organization expenses.

Offences.

Payments of expenses prior to obtaining Treasury Board certificate.

132. (1) If prior to the time at which the certificate permitting the bank to issue notes and commence the business of banking has been obtained from the Treasury Board, any provisional director or director authorizes or is a party to the payment of, or receives, out of moneys paid in by subscribers or interest thereon, any sum for commission, salary or charges for services in connection with or arising out of the incorporation or organization of the bank, it shall be an offence against this Act.

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After certificate obtained.

(2) If after the certificate has been obtained from the Treasury Board, any director authorizes payment of, or any general manager or other officer of the bank pays or causes to be paid any money for or on account of the incorporation or organization expenses of the bank, except and unless the sum so paid is mentioned or included in the statement submitted to the Treasury Board at the time at which the application is made under this Act to the Board for a certificate permitting the bank to issue notes and commence the business of banking, it shall be an offence against this Act.

When no certificate obtained.

(3) If no certificate from the Treasury Board has been obtained within the time limited by this Act, it shall be an offence against this Act for any provisional director or director to authorize or be a party to the payment of, or to receive, out of moneys paid in by subscribers, any sum for commission, salary or charges for services in connection with or arising out of the incorporation or organization of the bank, unless provision had been made pursuant to section sixteen of this Act for payment. R.S., c. 12, s. 132.

Penalty for bank officers obtaining gifts or showing favour.

133. (1) Every one is guilty of an offence and liable, upon conviction on indictment, to two years' imprisonment, or to a fine not exceeding two thousand five hundred dollars, or to both, and, upon summary conviction, to imprisonment for six months, with or without hard labour, or to a fine not exceeding one hundred dollars, or both, who

(a) being a director, general manager, manager, or other executive officer of a bank, corruptly accepts or obtains, or agrees to accept or attempts to obtain, from any person for himself or for any other person, any gift or consideration as an inducement or reward for doing or forbearing to do, or for having done or forborne to do, any act relating to the bank's business or affairs, or for showing or forbearing to show favour or disfavour to any person with relation to the bank's business or affairs; or

Penalty for offering gifts or showing favour to bank officers.

(b) corruptly gives or agrees to give or offers any gift or consideration to any director, general manager, manager, or other executive officer of a bank as an inducement or reward or consideration to such director, general manager, manager, or other executive officer of the bank, for doing or forbearing to do, or for having done or forborne to do, any act relating to the bank's business or affairs, or for showing or forbearing to show favour or disfavour to any person with relation to the bank's business or affairs.

'Consideration" defined.

(2) In this section "consideration" includes valuable consideration of any kind. R.S., c. 12, s. 133, am.

133. *(a)* and *(b)* The words "after this Act comes into force" after the word "having" in the sixth and seventh line of the existing paragraph *(a)* and in the seventh line of existing paragraph *(b)* are omitted.

Commencement of Business

Commencing business without certificate.

134. Every director or provisional director of any bank and every other person who, before the obtaining of the certificate from the Treasury Board by this Act required, permitting the bank to issue notes or commence business, issues or authorizes the issue of any note of such bank, or transacts or authorizes the transaction of any business in connection with such bank, except such as is by this Act authorized to be transacted before the obtaining of such certificate, is guilty of an offence against this Act. R.S., c. 12, s. 134.

Sale and Transfer of Shares.

Offence.

135. Any person, whether principal, broker or agent, who wilfully sells or transfers or attempts to sell or transfer

Sale and transfer of shares contrary to requirements.

(a) any share or shares of the capital stock of any bank by a false number;

(b) any share or shares of which the person making such sale or transfer, or in whose name or on whose behalf the same is made, is not at the time of such sale, or attempted sale, the registered owner; or

(c) any share or shares, without the assent to such sale of the registered owner thereof

Offence.

is guilty of an offence against this Act. R.S., c. 12, s. 135.

Cash Reserves.

Penalty for cash reserve not held in prescribed notes.

136. Every bank which at any time holds in Dominion notes less than forty per centum of the cash reserves which it has in Canada shall incur a penalty of five hundred dollars for each such offence.

Repeal.

(2) This section shall be repealed on and from the date the Bank of Canada is authorized to commence business. R.S., c. 12, s. 136, am.

Issue and Circulation of Notes.

Excess of circulation.

137. If the total amount of the notes of the bank in circulation at any time exceeds the amount authorized by any statute, the bank shall,

(a) if the amount of such excess is not over one thousand dollars, incur a penalty equal to the amount of such excess;

(b) if the amount of such excess is over one thousand dollars, and not over twenty thousand dollars, incur a penalty of one thousand dollars;

136. This is consequent upon a similar provision in section 59.

137. The first three lines of this section at present read:—

"**137.** If the total amount of the notes of the bank in circulation at any time exceeds the amount authorized by *this Act and by the Finance Act*, the bank shall,"

The underlined word in the text of the Bill is substituted for the words in italics.

The proviso is added to modify the penalty for over-issue through accident or other uncontrollable cause.

(c) if the amount of such excess is over twenty thousand dollars, and not over one hundred thousand dollars, incur a penalty of ten thousand dollars;

(d) if the amount of such excess is over one hundred thousand dollars, and not over two hundred thousand dollars, incur a penalty of fifty thousand dollars; or

(e) if the amount of such excess is over two hundred thousand dollars, incur a penalty of one hundred thousand dollars;

Proviso.

Provided however that in any case where the amount of notes in circulation has exceeded the amount authorized, and it is established by the bank to the satisfaction of the Minister that such excess occurred despite reasonable precautions on the part of the bank and did not continue for a longer period than twenty days, the penalty may be at the rate of ten per centum per annum on the amount of such excess. R.S., c. 12, s. 137, am.

Unauthorized issue of notes for circulation.

138. (1) Every person, except a bank to which this Act applies, who issues or reissues, makes, draws or endorses any bill, bond, note, cheque or other instrument, intended to circulate as money, or to be used as a substitute for money, for any amount whatsoever, shall incur a penalty of four hundred dollars.

Intention presumed.

(2) If any such instrument is made for the payment of a less sum than twenty dollars, and is payable either in form or in fact to the bearer thereof, or at sight, or on demand, or at less than thirty days thereafter, or is overdue, or is in any way calculated or designed for circulation, or as a substitute for money, the intention to pass the same as money shall be presumed unless such instrument is

Exceptions.

(a) a cheque on some chartered bank paid by the maker directly to his immediate creditor; or

(b) a promissory note, bill of exchange, bond or other undertaking for the payment of money made or delivered by the maker thereof to his immediate creditor; and

(c) not designed to circulate as money or as a substitute for money. R.S., c. 12, s. 138.

Defacements of notes.

139. (1) Every person who mutilates, cuts, tears or perforates with holes any Dominion or Bank of Canada or bank note, or who in any way defaces a Dominion or Bank

of Canada or bank note, whether by writing, printing, drawing or stamping thereon, or by attaching or affixing thereto anything in the nature or form of an advertisement shall, on summary conviction, be liable to a penalty not exceeding twenty dollars.

Penalty.

Issue by bank, of notes not disinfected or sterilized.

(2) Every officer, clerk and servant of a bank who, for the bank, reissues to the public any bank notes or Dominion or Bank of Canada notes which have not been disinfected and sterilized in accordance with the regulations made by the Treasury Board under the authority of this Act shall, on the information of any person, on summary conviction, be liable to a penalty not exceeding twenty dollars.

Penalty.

(3) In the event of the conviction of any officer, clerk or servant of a bank under this section, the bank shall thereby incur a penalty of fifty dollars. R.S., c. 12, s. 139, am.

Issuing notes during period of suspension.

140. *(a)* Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of the bank, issues or reissues, during any period of suspension of payment by the bank of its liabilities, any notes of the bank payable to bearer on demand, and intended for circulation, or authorizes or is concerned in any such issue or reissue; and

Or without authority of Treasury Board.

(b) if, after any such suspension, the bank resumes business without the consent in writing of the curator hereinbefore provided for, every person who being president, vice-president, director, general manager, manager, clerk or other officer of the bank issues or re-issues, or authorizes or is concerned in the issue or reissue of any such notes before being thereunto authorized by the Treasury Board; and

And accepting such notes.

(c) every person who accepts, receives or takes, or authorizes or is concerned in the acceptance, receipt or taking of any such notes, knowing the same to have been so issued or reissued, from the bank, or from such president, vice-president, director, general manager, manager, clerk or other officer of the bank, in payment or part payment, or as security for the payment of any amount due or owing to such person by the bank,

Penalty.

is guilty of an indictable offence, and liable to imprisonment for a term not exceeding seven years, or to a fine not exceeding two thousand dollars, or to both. R.S., c. 12, s. 140.

Pledging of notes by officers of bank.

141. *(a)* Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of the bank, pledges, assigns, or hypothecates, or authorizes, or is concerned in the pledge, assignment or hypothecation of the notes of the bank, and,

Accepting.

(b) every person who accepts, receives or takes, or authorizes or is concerned in the acceptance or receipt or taking of such notes as a pledge, assignment or hypothecation,

Penalty.

shall be liable to a fine of not less than four hundred dollars and not more than two thousand dollars, or to imprisonment for not more than two years, or to both. R.S., c. 12, s. 141.

Issuing notes fraudulently.

142. *(a)* Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of a bank, with intent to defraud, issues or delivers, or authorizes or is concerned in the issue or delivery of notes of the bank intended for circulation and not then in circulation; and

Knowingly accepting.

(b) every person who, with knowledge of such intent, accepts, receives or takes, or authorizes or is concerned in the acceptance, receipt or taking of such notes,

Penalty.

shall be guilty of an indictable offence, and liable to imprisonment for a term not exceeding seven years, or to a fine not exceeding two thousand dollars, or to both. R.S., c. 12, s. 142.

Annual Statement and Auditors' Report.

Issue of annual statement without auditor's report.

143. If any copy of the statement or of the profit and loss account submitted under section fifty-three of this Act, which has not been signed as required by that section, is issued, circulated or published, or if any copy of such statement is issued, circulated or published without having a copy of the auditors' report attached thereto, the bank, and every director, general manager or other officer of the bank who is knowingly a party to the default, shall be liable to a fine not exceeding two hundred and fifty dollars. R.S., c. 12, s. 143.

Penalty.

Inspection.

No loan or gratuity to be made by bank officials to inspector or his officers.

144. Any bank which, or any director, president, general manager or any officer of a bank who, directly or indirectly makes a loan or grant or gives any gratuity to the Inspector or any other person appointed or employed under section fifty-six of this Act, and the Inspector or any such person who accepts or receives, directly or indirectly, any such loan, grant or gratuity, commits an offence against this Act and is liable to the penalties hereinafter provided, so far as applicable, in addition to any punishment otherwise provided. 1924, c. 7, s. 1; R.S., c. 12, s. 144.

Offence and penalty.

Secrecy.

145. The Inspector or any person appointed or employed under section fifty-six of this Act who discloses to any other person, except the Minister and the Deputy Minister of Finance, any information regarding a bank, its business or affairs, commits an offence against this Act. 1924, c. 7. s. 1; R.S., c. 12, s. 145.

Warehouse Receipts, Bills of Lading and other Securities.

Bank acquiring warehouse receipt or bill of lading.

146. If any bank, to secure the payment of any bill, note, debt or liability, acquires or holds

(a) any warehouse receipt or bill of lading; or

(b) any instrument such as is by this Act authorized to be taken by the bank to secure money lent,

(i) to any wholesale purchaser, or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers upon the security of such products;

(ii) to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise upon the security of the goods, wares and merchandise manufactured by such person, or procured for such manufacture;

(iii) to any farmer upon the security of threshed grain;

(iv) to any owner, tenant or occupier of land for the purchase of seed grain upon the security of any crop to be grown from such seed grain; or

(v) to any farmer or person engaged in stock raising upon the security of live stock,

such bank shall, unless

Except in certain cases.

(a) such bill, note, debt or liability is negotiated or contracted at the time of the acquisition by the bank of such warehouse receipt, bill of lading or security;

(b) such bill, note, debt or liability is negotiated or contracted upon the written promise or agreement that a warehouse receipt, bill of lading or security, as aforesaid, would be given to the bank; or

(c) the acquisition or holding by the bank of such warehouse receipt, bill of lading or security is otherwise authorized by this Act,

Penalty.

incur a penalty not exceeding five hundred dollars. R.S., c. 12, s. 146, am.

Non-compliance with requirements for sale.

147. If any debt or liability to the bank is secured by

(a) any warehouse receipt or bill of lading; or

(b) any other security such as is mentioned in the last preceding section,

and is not paid at maturity, such bank shall, if it sells the products, goods, wares and merchandise covered by such warehouse receipt, bill of lading or security, under the power

146. Second paragraph *(b)* at present reads:—

"*(b)* such bill, note, debt or liability is negotiated or contracted upon the written promise or agreement that *such* warehouse receipt, bill of lading or security would be given to the bank; or"

These changes as underlined are made consequent upon the changes in paragraph *(b)* of subsection (1) of section 90.

of sale conferred upon it by this Act, without complying with the provisions to which the exercise of such power of sale is, by this Act, made subject, incur a penalty not exceeding five hundred dollars. R.S., c. 12, s. 147, am.

Penalty.

Making false statements.

148. Every person is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years who wilfully makes any false statement

In warehouse receipt or bill of lading.

(a) in any warehouse receipt or bill of lading given under the authority of this Act to any bank;

In security upon products.

(b) in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers or to any farmer or person engaged in stock raising, whereby any such products or stock is assigned or transferred to the bank as security for the payment of such loan;

In security upon manufactures.

(c) in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise, whereby any of the goods, wares and merchandise manufactured by him, or procured for such manufacture, are transferred or assigned to the bank as security for the payment of such loan; or

In security upon grain.

(d) in any instrument given to any bank under the authority of this Act as security for any loan of money made by the bank to a farmer or to the owner, tenant or occupier of land whereby any grain is transferred or assigned to the bank as security for the payment of such loan. R.S., c. 12, s. 148, am.

Wilfully disposing of or withholding goods covered by security.

149. Every person who, having possession or control of any products, goods, wares and merchandise covered by any warehouse receipt or bill of lading or by any such security as in the last preceding section mentioned, and having knowledge of such receipt, bill of lading or security, without the consent of the bank in writing, and before the advance, bill, note, debt or liability thereby secured has been fully paid,

(a) wilfully alienates or parts with any such products, goods, wares or merchandise; or

(b) wilfully withholds from the bank possession of any such products, goods, wares and merchandise, upon demand, after default in payment of such advance, bill, note, debt or liability,

Penalty.

is guilty of an indictable offence, and liable to imprisonment for a term not exceeding two years. R.S., c. 12, s. 149, am.

148. *(b)* The existing paragraph reads as follows:—

"*(b)* in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, *or of any wholesale purchaser, or shipper of or dealer in live or dead stock or the products thereof,* or farmer or person engaged in stock raising, whereby any such products or stock is assigned or transferred to the bank as security for the payment of such loan;"

Bank not selling shares subject to privileged lien.

150. *(a)* If any bank having, by virtue of the provisions of this Act, a privileged lien for any debt or liability for any debt to the bank, on the shares of its own capital stock of the debtor or person liable, neglects to sell such shares within twelve months after such debt or liability has accrued and become payable; or

Or selling without notice.

(b) if any such bank sells any such shares without giving notice to the holder thereof of the intention of the bank to sell the same, by mailing such notice in the post office, postpaid, to the last known address of such holder, at least thirty days prior to such sale,

Penalty.

such bank shall incur, for each such offence, a penalty not exceeding five hundred dollars. R.S., c. 12, s. 150.

Prohibited Business.

Bank doing prohibited business.

151. (1) If any bank, except as authorized by this Act, either directly or indirectly,—

(a) deals in the buying or selling or bartering of goods, wares and merchandise, or engages or is engaged in any trade or business whatsoever;

(b) purchases, deals in, or lends money or makes advances upon the security or pledge of any share of its own capital stock, or of the capital stock of any bank *or of the Bank of Canada;*

(c) lends money or makes advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property, or of any ships or other vessels or upon the security of any goods, wares and merchandise;

(d) lends to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank without the approval of the directors, any amount or amounts exceeding in the aggregate one thousand dollars; or

(e) lends to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank any amount or amounts exceeding in the aggregate ten thousand dollars;

such bank shall incur a penalty not exceeding five hundred dollars.

(2) If any bank, either directly or indirectly lends money or makes advances in excess of five per centum of its paid-up capital to a director of the bank or to any *firm*, company or corporation in which the president, general manager or a director of the bank is a partner or shareholder, as the case may be, without the approval of two-thirds of the directors present at a regular meeting, or a meeting specially called for the purpose, of the board, such bank shall incur a penalty not exceeding *five thousand dollars.*

(2) Subsection (2) has reference to section 75 (2) *(f)*.

(3) *If any director of a bank is present or votes at a meeting of the board during the time when loans or advances to himself or any firm, company or corporation of which he is a partner or director are under consideration both the bank and such director shall incur penalties not exceeding five thousand dollars, and such director shall forthwith vacate his office of director and shall not be eligible for election as a director of a bank within a period of five years after the date of the said meeting of the board.*

(4) *(a) Any manager or other officer of a bank who acts as agent for any insurance company or for any person in the placing of insurance shall incur a penalty not exceeding five hundred dollars;*

(b) Any bank which exercises pressure upon any borrower to place insurance for the security of such bank in any particular insurance agency shall incur for each such offence a penalty not exceeding five hundred dollars.

Hypothecation of notes prohibited.

152. It shall be an offence against this Act for any director, officer, clerk or servant of the bank to pledge, assign or hypothecate the notes of the bank on behalf of the bank. R.S., c. 12, s. 152.

Payment of liabilities of bank after suspension.

153. If a bank suspends payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, then, so long as such suspension continues, it shall be an offence against this Act for any director, officer, clerk or servant of the bank who has knowledge of such suspension to pay or cause to be paid to any person any debt or liability of the bank unless with the consent of a curator or liquidator duly appointed. R.S., c. 12, s. 153, am.

Returns.

Bank not making monthly return.

154. Every bank which neglects to transmit or deliver to the Minister, within the first twenty-eight days of any month, any monthly return by this Act required to be made up and sent in within the said twenty-eight days, exhibiting the condition of the bank on the last juridical day of the month last preceding, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 154.

Penalty.

Neglecting return of notes in circulation.

155. Every bank which neglects to transmit or deliver to the Minister, within the first twenty-eight days after the last day of the month, a return showing the amount of its notes in circulation for each juridical day during the month last preceding and signed in the manner and by the persons

(3) Subsection (3) has reference to section 75 (3).

(4) Subsection (4) has reference to section 75 (4).

155. This section at present is as follows:—

"**155.** Every bank which neglects to transmit or deliver to the Minister, within the first thirty days after the last day of the month *in which any amount of its notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding*, a return showing the amount of its notes in circulation for each juridical day during such month, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day, after the expiration of such time, during which such neglect continues."

The words "in which any amount of its notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding" in the third, fourth and fifth lines, are omitted pursuant to the amendment to section 60 (19).

Penalty.

by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 155, am.

Neglecting return of value of property.

156. Every bank which neglects to transmit or deliver to the Minister during the month of January in each year a return showing in detail the fair market value of its real and immovable property held under section seventy-eight of this Act, together with the other information prescribed by the said section, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 156.

Penalty.

Neglecting semi-annual return.

157. Every bank which neglects to transmit or deliver to the Minister a semi-annual return as of the last juridical day of the months of June and December in each year, giving such particulars as may be prescribed by regulations made by the Treasury Board of the interest and discount rates charged by the bank, such returns to be made up and sent in within the first thirty days after the respective juridical days aforesaid, and signed by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which such neglect continues. R.S., c. 12, s. 157, am.

Penalty.

Not making returns required by Minister.

158. Every bank which neglects to transmit or deliver to the Minister, within thirty days from the date of the demand therefor by the Minister, or, if such time is extended by the Minister, within such extended time, not exceeding thirty days, as the Minister may allow, any special return, signed in the manner and by the persons by this Act required, which under the provisions of this Act the Minister may, for the purpose of affording a full and complete knowledge of the condition of the bank, call for, shall incur a penalty of five hundred dollars for each and every day during which such neglect continues. R.S., c. 12, s. 158.

Penalty.

Bank not making annual returns of drafts and bills.

159. Every bank which neglects to transmit or deliver to the Minister, within thirty days after the close of any calendar year, a return, signed in the manner and by the persons and setting forth the particulars by this Act required in that behalf, of all certified cheques, drafts or bills of exchange issued by the bank to any person and remaining unpaid for more than five years prior to the date of such return, shall incur a penalty of fifty dollars for each and every day during which such neglect continues. R.S., c. 12, s. 159.

Penalty.

157. The underlined word "semi-annually" is substituted for the word "quarterly" pursuant to the amendment to section 91 (2).

Not returning annual list.

160. (1) Every bank which neglects to transmit or deliver to the Minister, within thirty days after the close of any calendar year, a certified return, as by this Act required, showing

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses;

(b) the number of shares then held by such shareholders respectively; and

(c) the amount, if any, remaining to be paid thereon,

Penalty.

shall incur a penalty of fifty dollars for each and every day during which such neglect continues. R.S., c. 12, s. 160, am.

Additional penalties.

(2) Every bank which neglects to transmit or deliver to the Minister, within the time prescribed by regulations of the Treasury Board, a certified return showing the aggregate amount of all loans made by the bank within Canada at a date to be specified by the Treasury Board, classified according to industries and businesses, shall incur a penalty of fifty dollars for each and every day during which such neglect continues.

(3) Every bank which neglects to transmit or deliver within thirty days after the annual general meeting a return showing the name and address of each director elected thereat, together with a list of the banks, firms, companies and corporations of which he is a director or partner, or which neglects to transmit or deliver within thirty days after the selection of a person to fill a vacancy in the membership of the board of directors or in the office of president or vice-president, a similar return respecting such person, shall incur a penalty of fifty dollars for each and every day during which such neglect continues.

Not making annual returns of dividends, balances, drafts and bills.

161. (1) Every bank which neglects to transmit or deliver to the Minister, within thirty days after the close of any calendar year, a return, signed in the manner and by the persons by this Act required, of all dividends which have remained unpaid for more than five years, and also of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid, during the five years prior to the date of such return, and also of all certified cheques, drafts or bills of exchange issued by the bank and remaining unpaid for more than five years prior to the date of such return, as required by the provisions of this Act in the several cases respectively mentioned, shall incur a penalty of fifty dollars for each and every day during which such neglect continues.

Penalty.

Period of 5 years.

(2) The said term of five years shall, in case of moneys deposited for a fixed period, be reckoned from the date of the termination of such fixed period. R.S., c. 12, s. 161.

160. *(a).* The words "and descriptions" after the words "post office addresses," at the end of this paragraph, are omitted pursuant to the amendment to section 114, (9) *(a).*

Date of posting return or list.

162. If any return mentioned in the last eight preceding sections is transmitted by post, the date appearing, by the post office stamp or mark upon the envelope or wrapper inclosing the return received by the Minister, as the date of deposit in the post office of the place at which the chief office of the bank was situated shall be taken *prima facie*, for the purpose of any of the said sections, to be the day upon which such return was transmitted to the Minister. R.S., c. 12, s. 162.

Making false or deceptive statement in account or return.

Penalty.

163. (1) Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who knowingly prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank containing any false or deceptive statement, or any return which does not set forth the true financial position of the bank including all the information required by section one hundred and thirteen of this Act, shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding five years.

Liability of officers.

(2) Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who negligently prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank containing any false or deceptive statement, or any return which does not set forth the true financial position of the bank including all the information required by section one hundred and thirteen of this Act, shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding three years. R.S., c. 12, s. 163.

Calls in the case of Suspension of Payment.

Director refusing to make calls on suspension of bank.

164. *(a)* If any suspension of payment in full, in specie or Dominion or Bank of Canada notes, of all or any of the notes or other liabilities of the bank continues for three months after the expiration of the time which, under the provisions of this Act, would constitute the bank insolvent; and

(b) if no proceedings are taken under any Act for the winding-up of the bank; and

(c) if any director of the bank refuses to make or enforce, or to concur in the making or enforcing of any call on the shareholders of the bank, to any amount which the directors deem necessary to pay all the debts and liabilities of the bank,

such director shall be guilty of an indictable offence, and liable

Penalty.

(a) to imprisonment for a term not exceeding two years; and

(b) personally for any damages suffered by any such default. R.S., c. 12, s. 164, am.

Undue Preference to the Bank's Creditors.

Officers giving undue preference to any creditor.

165. Every person who, being president, vice-president, director, general manager, manager or other officer of the bank, wilfully gives or concurs in giving to any creditor of the bank any fraudulent, undue or unfair preference over other creditors, by giving security to such creditor, or by changing the nature of his claim, or otherwise howsoever, is guilty of an indictable offence, and liable

Penalty.

(a) to imprisonment for a term not exceeding two years; and

Damages.

(b) for all damages sustained by any person in consequence of such preference. R.S., c. 12, s. 165.

Use of the Title "Bank," etc.

Unauthorized use of title "bank," etc.

166. Every person using the word "bank", "banker", or "banking" either alone or in combination with other words, or any word or words of import equivalent to any of the foregoing in any foreign language, in a sign or in an advertisement or to describe his business or any part of his business, without being authorized so to do by this Act, or by some other Act of the Parliament of Canada,

Offence.

is guilty of an offence against this Act. R.S., c. 12, s. 166, am.

166. (3) The existing subsection is omitted. It reads as follows:—

"(3) The Minister may, upon the application of any interested person, require that any person who receives money on deposit or receives money for transmission to a foreign country without being authorized so to do, either by or under the authority of a statute of Canada or any province thereof, shall make to the Minister in such form as the Minister may prescribe, a return respecting the business so carried on; or the Minister may direct an inquiry into such business and that a report be made to him thereon by any one whom he may select from the list of persons eligible to audit the affairs of a bank, or by any other person whom he may designate for that purpose; and the Minister may, after due consideration of such return or report, require that such business be discontinued, or that security be deposited as a condition of the continuance thereof, to such extent and in such manner as the public interest may seem to require; and failure to comply with such requirement, within such time as the Minister shall allow, shall be an offence against this Act; and if the offender be a body corporate, then every officer of such body corporate shall be guilty of such offence. R.S., c. 12, s. 166."

Penalty for Offence against this Act.

Offence against this Act. Penalty.

167. Every person committing an offence, declared to be an offence against this Act, shall, unless otherwise provided by this Act, be liable to a fine not exceeding one thousand dollars, or to imprisonment for a term not exceeding five years, or to both, in the discretion of the court before which the conviction is had. R.S., c. 12, s. 167.

PROCEDURE.

Penalties enforceable at suit of Attorney General or Minister.

168. (1) The amount of all penalties imposed upon a bank or person for any violation of this Act shall, unless otherwise provided by this Act, be recoverable and enforceable, with costs, at the suit of His Majesty instituted by the Attorney General of Canada, or by the Minister.

Appropriation.

Proviso.

(2) Such penalties shall, unless otherwise provided by this Act, belong to the Crown for the public uses of Canada: Provided that the Governor in Council, on the report of the Treasury Board, may direct that any portion of any penalty be remitted, or paid to any person, or applied in any manner deemed best adapted to attain the objects of this Act, and to secure the due administration thereof. R.S., c. 12, s. 168.

R.S., c. 12 repealed.

169. Chapter twelve of the Revised Statutes of Canada, 1927, is repealed.

Commencement of Act.

170. This Act shall come into force on the first day of July, one thousand nine hundred and thirty-four.

SCHEDULE A.

(Section 4).

Name of Bank	Capital authorized	Chief Office of Bank
1. Bank of Montreal.....	$ 50,000,000	Montreal
2. The Bank of Nova Scotia	15,000,000	Halifax
3. The Bank of Toronto....	10,000,000	Toronto
4. La Banque Provinciale du Canada.....	5,000,000	Montreal
5. The Canadian Bank of Commerce.....	50,000,000	Toronto
6. The Royal Bank of Canada.....	50,000,000	Montreal
7. The Dominion Bank.....	10,000,000	Toronto
8. Banque Canadienne Nationale.....	10,000,000	Montreal
9. Imperial Bank of Canada	10,000,000	Toronto
10. Barclays Bank (Canada).	500,000	Montreal

1932-33, c. 23.

SCHEDULE B.

(Section 9).

An Act to incorporate the————————Bank.

Whereas the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. [*Insert names of those applying for incorporation; the full name, address and description of each director must be given*], together with such persons as become shareholders in the corporation by this Act created, are incorporated under the name of [*insert name of bank*] hereinafter called "the Bank."

2. The persons named in section 1 of this Act shall be the provisional directors of the Bank.

3. The capital stock of the Bank shall be————dollars.

4. The chief office of the Bank shall be at————.

5. This Act shall, subject to the provisions of section sixteen of the Bank Act, remain in force until the first day of July, in the year one thousand nine hundred and forty-four.

R.S., c. 12, Sch. B, am.

SCHEDULE C.

(Section 88 (6)).

In consideration of an advance of————————dollars made by the————————Bank to A.B., for which the said Bank holds the following bills or notes: (*describe the bills or notes, if any*), [*or*, in consideration of the discounting of the following bills or notes by the————————Bank for A.B.; (*describe the bills or notes*),] the products of agriculture, the forest, quarry and mine, [or, the sea, lakes and rivers, *or*, the live stock or dead stock, *or*, the products thereof, *or* the goods, wares and merchandise, *or*, the grain, (*as the case may be*),] mentioned below are hereby assigned to the said Bank as security for the payment on or before the————————day of————————of the said advance, together with interest thereon at the rate of————per centum per annum from the————————day of———— [*or*, of the said bills or notes, or renewals thereof, or substitutions therefor, and interest thereon, *or as the case may be*].

This security is given under the provisions of section eighty-eight of the Bank Act, and is subject to the provisions of the said Act.

The said products of agriculture, the forest, quarry and mine, [*or*, the sea, lakes and rivers, *or*, the live stock or dead stock, or the products thereof, *or*, the goods, wares and merchandise, *or*, the grain, (*as the case may be*),] are now owned by————————, and are now in the possession of————————, and are free from any mortgage, lien or charge thereon (*or as the case may be*), and are in (*place or places where the goods are*), and are the following (*description of property assigned*).

Dated at————————

(*N.B.—The bills or notes and the property assigned may be set out in schedules annexed.*)

R.S., c. 12, Sch. C.

SCHEDULE D.

(Section 88 (9)).

In consideration of an advance of———————— dollars made by the————————Bank to A.B., for which the said bank holds the following bills or notes: (*describe the bills or notes, if any*) [*or*, in consideration of the discounting of the following bills or notes by the————————Bank for A. B.: (*describe the bills or notes*)] and inasmuch as the said advance [*or* the said discounting, *as the case may be*] was made on the representation that seed grain would be purchased with the advance [*or* proceeds of the discounting, *as the case may be*] and would be sown upon land in the province of————————situate and being———————— the seed grain purchased and the crop grown from the

grain so sown upon the land aforesaid and the grain threshed thereform are hereby assigned to the said Bank as security for the payment, on or before the———— day of ————, of the said advance, together with interest at the rate of————per centum per annum from the ————day of————[*or*, of the said bills or notes, or renewals thereof, or substitutions therefor, and interest thereon, *as the case may be*].

This security is given under the provisions of subsection eight of section eighty-eight of the Bank Act and is subject to the provisions of the said Act.

Dated at————.

R.S., c. 12, Sch. D.

SCHEDULE E.

(Section 88 (9)).

In consideration of an advance of————dollars made by the————Bank to A. B., for which the said bank holds the following bills or notes: *(describe the bills or notes, if any) (or*, in consideration of the discounting of the following bills or notes by the ————Bank for A. B.: *(describe the bills or notes))* and inasmuch as the said advance *(or* the said discounting, *as the case may be)* was made on the representation that binder twine would be purchased with the advance *(or* the proceeds of the discounting, *as the case may be)* and would be used in the harvesting of the crop grown by the borrower, such crop and grain threshed therefrom are hereby assigned to the said Bank, as security for the payment, on or before the————day of————of the said advance, together with interest at the rate of————per centum per annum from the————day of———— *(or*, of the said bills or notes, or renewals thereof, or substitutions therefor, and interest thereon, *as the case may be).*

This security is given under the provisions of subsection eight of section eighty-eight of the Bank Act and is subject to the provisions of the said Act.

Dated at————.

SCHEDULE F.

(Section 88 (14)).

In consideration of an advance of————dollars, made by the————Bank to A. B., for which the said Bank holds the following bills or notes (*describe the bills or notes, if any*) [*or*, in consideration of the discounting of the following bills or notes by the ————Bank for A. B. (*describe the bills or notes*)], and, inasmuch as the said advance (*or* the said discounting, *as the case may be*) is made upon the security of the following live stock:

Schedule E. This Schedule was added by the Committee in conformity with amendments made in Committee to subsections (8) and (9) of section 88.

the said live stock are hereby assigned to the said Bank as security for the payment, on or before the———— day of————————of the said advance together with interest at the rate of————————per centum per annum from the————————day of———————— (*or*, of the said bills or notes or renewals thereof or substitutions therefor, and interest thereon, *as the case may be.*)

This security is given under the provisions of subsection twelve of section eighty-eight of the Bank Act, and is subject to the provisions of the said Act.

Dated at ————————.

R.S., c. 12, Sch. E.

SCHEDULE G.

(Section 88 (17)).

Notice of Intention.

To Whom it May Concern:

.....

(name of person, firm or company. P.O. address) hereby gives notice that it is————————intention to give security under the authority of section eighty-eight of the Bank Act, to the————————Bank————————.

Dated at————————this————————day of————————.

.....

R.S., c. 12, Sch. F.

SCHEDULE H

(Sections 112, 113).

Return of the liabilities and assets of the————————Bank on the————————day of————————, 19—

Liabilities.

1. Notes in circulation.....$
2. Deposits by and balances due to Dominion Government.....
3. Deposits by and balances due to provincial governments.....
4. Advances under the *Finance Act* .....
5. Deposits by the public, payable on demand, in Canada.....
6. Deposits by the public, payable after notice or on a fixed day, in Canada.....
7. Deposits elsewhere than in Canada.....

Schedule G. The existing Schedule reads as follows:—

"SCHEDULE G.

Return of the liabilities and assets of the————Bank on the————day of————, 19——

Liabilities.

1. Notes in circulation.....$
2. Balance due to Dominion Government after deducting advances for credits, pay-lists, etc.....
3. Advances under the *Finance Act*.....
4. Balances due to provincial governments....
5. Deposits by the public, payable on demand in Canada.....
6. Deposits by the public, payable after notice or on a fixed day, in Canada.....
7. Deposits elsewhere than in Canada.....

8. Deposits by and balances due to other banks in Canada.....
9. Deposits by and balances due to banks and banking correspondents in the United Kingdom.....
10. Deposits by and balances due to banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
11. Loans from other banks in Canada, secured, including bills re-discounted.....
12. Bills payable.....
13. Letters of credit outstanding.....
14. Liabilities to the public not included under foregoing heads.....
15. Dividends declared and unpaid.....
16. Rest or Reserve Fund.....
17. Capital paid up.....

$

Assets.

1. Gold and coin..... { In Canada $ / Elsewhere
2. Dominion notes.....
3. Notes of other banks.....
4. United States and other foreign currencies..
5. Cheques on other banks.....
6. Deposits with and balances due by other banks in Canada.....
7. Due by banks and banking correspondents in the United Kingdom.....
8. Due by banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
9. Loans to other banks in Canada, secured, including bills re-discounted.....
10. Dominion and provincial government direct and guaranteed securities (maturing within two years), not exceeding market value..
11. Other Dominion and provincial government direct and guaranteed securities, not exceeding market value.....
12. Canadian municipal securities, not exceeding market value.....
13. Public securities other than Canadian, not exceeding market value.....
14. Other bonds, debentures and stocks, not exceeding market value.....

8. Loans from other banks in Canada, secured, including bills re-discounted.....
9. Deposits made by and balances due to other banks in Canada.....
10. Due to banks and banking correspondents in the United Kingdom.....
11. Due to banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
12. Bills payable.....
13. Letters of credit outstanding.....
14. Liabilities not included under foregoing heads.....
15. Dividends declared and unpaid.....
16. Rest or Reserve Fund.....
17. Capital paid up.....

$

Assets.

1. Current gold and sub-sidiary coin..... In Canada $ / Elsewhere $ } $
2. Dominion notes..... *In Canada* $ / *Elsewhere* $ } $
3. Notes of other banks.....
4. United States and other foreign currencies.
5. Cheques on other banks.....
6. Loans to other banks in Canada, secured, including bills re-discounted.....
7. Deposits made with and balances due *from* other banks in Canada.....
8. Due *from* banks and banking correspondents in the United Kingdom.....
9. Due *from* banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
10. Dominion government and provincial government securities.....
11. Canadian municipal securities, *and British, foreign and colonial* public securities other than Canadian.....
12. *Railway and* other bonds, debentures and stocks.....
13. Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities of a sufficient marketable value to cover.....
14. Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities of a sufficient marketable value to cover...

15. Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....
16. Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....
17. Other current loans and discounts in Canada, estimated loss provided for.....
18. Other current loans and discounts elsewhere than in Canada, estimated loss provided for
19. Loans to the Government of Canada.....
20. Loans to provincial governments.....
21. Loans to cities, towns, municipalities and school districts.....
22. Non-current loans, estimated loss provided for.....
23. Real estate other than bank premises.....
24. Mortgages on real estate sold by the bank .
25. Bank premises, at not more than cost, less amounts (if any) written off.....
26. Liabilities of customers under letters of credit as per contra.....
27. Deposit with the Minister of Finance for the security of note circulation.....
28. Deposit in the central gold reserves.....
29. Shares of and loans to controlled companies
30. Other assets not included under the foregoing heads.....

$

Capital authorized.....$

Capital subscribed.....

Rate per annum of last dividend declared... per centum

Aggregate amount of loans to directors and firms of which they are partners, and loans for which they are guarantors, $————

Average amount of gold and coin held during the month, $————

Average amount of Dominion notes held during the month, $————

Greatest amount of notes of the bank in circulation at any time during the month, $————

Branch and Agency returns used in the preparation of the foregoing and antedating the last juridical day of the month aforesaid are as follows:—

15. Other current loans and discounts in Canada.
16. Other current loans and discounts elsewhere than in Canada after making full provision for bad and doubtful debts.....
17. Loans to the Government of Canada.....
18. Loans to provincial governments.....
19. Loans to cities, towns, municipalities and school districts.....
20. Non-current loans, estimated loss provided for.....
21. Real estate other than bank premises.....
22. Mortgages on real estate sold by the bank.
23. Bank premises, at not more than cost, less amounts (if any) written off.....
24. Liabilities of customers under letters of credit as per contra.....
25. Deposit with the Minister of Finance for the security of note circulation.....
26. Deposit in the central gold reserves.....
27. Shares of and loans to controlled companies.
28. Other assets not included under the foregoing heads.....

$

Capital authorized.....$
Capital subscribed.....
Rate per cent of last dividend declared..... per cent
Aggregate amount of loans to directors and firms of which they are partners, and loans for which they are guarantors, $————
Average amount of current gold and subsidiary coin held during the month, $————
Average amount of Dominion notes held during the month, $————
Greatest amount of notes of the bank in circulation at any time during the month, $————

Branch and Agency returns used in the preparation of the foregoing and antedating the last juridical day of the month aforesaid are as follows:—"

Branch or Agency.	*Date of such return.*

I declare that the above return is correct according to the books of the bank.

E.F.,
Chief Accountant, (or Acting Chief Accountant, *as the case may be*).

We declare that the foregoing return is to the best of our knowledge and belief correct, and shows truly and clearly the financial position of the bank, as required by sections one hundred and twelve and one hundred and thirteen of the *Bank Act;* and we further declare that the Bank has never, at any time during the period to which the said return relates, held in Dominion notes less than forty per centum of the cash reserves which it has in Canada.

(Place).....this.....day of.....19...

A.B.,
President, (Vice-President, or Director acting as President, *as the case may be*).

C.D.,
General Manager, (or other principal officer, *as the case may be*).

R.S., c. 12, Sch. G, am.

SCHEDULE I

(Section 60 (20)).

Return of the————————Bank————————showing the amount of its notes in circulation for each juridical day during the month of————————, 19—.

Day of the Month.	Paid-up Capital.	*Reserve Fund.	Deposit Gold Coin and Dominion Notes	Circulation.	Excess (if any).

**N.B.—Returns for the months of March to August, inclusive, need not have the Reserve Fund column.*

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E. F.,
Chief Accountant, (or Acting Chief Accountant, *as the case may be*).

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

(Place).....this.....day of.....19—

A. B.,
President, (Vice-President, *or* Director acting as President, *as the case may be*).

C. D.,
General Manager, (*or* other principal officer, *as the case may be*).

R.S., c. 12, Sch. H.

SCHEDULE J.

(Section 114 (5)).

Return of unpaid dividends, balances and amounts, certified cheques, drafts and bills of exchange of the——— Bank at the close of the calendar year 19—, made in accordance with the provisions of subsections one to five, inclusive, of section one hundred and fourteen of the Bank Act.

.....

.....

.....

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E. F.,
Chief Accountant, (*or* Acting Chief Accountant, *as the case may be*).

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

(Place).....this.....day of.....19..

A. B.,
President, (Vice-President, *or* Director acting as President, *as the case may be*).

C. D.,
General Manager, (*or* other principal officer, *as the case may be.*)

R.S., c. 12, Sch. I.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 19.

An Act to incorporate the Bank of Canada.

First reading, February 22, 1934.

THE MINISTER OF FINANCE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
73016 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 19.

An Act to incorporate the Bank of Canada.

Preamble.

WHEREAS it is desirable to establish a central bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of the Dominion: Therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE

Short title.

1. This Act may be cited as the *Bank of Canada Act.*

INTERPRETATION

Definitions.

2. In this Act unless the context otherwise requires:—

"Board of Directors."

(a) "Board of Directors" or "Board" means the Board of Directors of the Bank of Canada;

"Chartered Bank."

(b) "chartered bank" means a bank to which the Bank Act applies;

"Director."

(c) "director" means a member of the Board of Directors other than the Governor or the Deputy Governor;

"Dominion notes."

(d) "Dominion notes" means notes payable to bearer on demand issued and outstanding, which on the day on which the Bank of Canada is authorized to commence business, constitute a direct liability of the Dominion of Canada;

"Meeting." *(e)* "meeting" means a special or general meeting of the shareholders;

"Minister." *(f)* "Minister" means the Minister of Finance;

"Notes." *(g)* "notes" means notes of the Bank of Canada payable to bearer on demand and intended for circulation;

"Receiver General." *(h)* "Receiver General" means the Receiver General of Canada;

"The Bank." *(i)* "the Bank" means the Bank of Canada;

"Treasury Board." *(j)* "Treasury Board" means the Treasury Board as constituted by the Department of Finance and Treasury Board Act.

CONSTITUTION OF THE BANK.

The Bank constituted. **3.** (1) There shall be established a bank to be called the Bank of Canada.

Body corporate. (2) When the capital stock of the Bank has been subscribed as hereinafter provided, the Minister shall give public notice of the fact in the *Canada Gazette* and on the publication of such notice the shareholders shall become a body corporate.

Head Office. **4.** (1) The head office of the Bank shall be in the city of Ottawa.

Branches and agencies. (2) The Bank may establish branches and agencies and appoint agents in Canada and may also, with the approval of the Governor in Council, establish branches and appoint agents elsewhere than in Canada.

Board of directors. **5.** The Bank shall be under the management of a Board of Directors composed of a Governor, a Deputy Governor and seven directors. There may also be an Assistant Deputy Governor.

Governor and deputy governor. **6.** (1) The Governor and Deputy Governor shall be men of proven banking experience and each shall devote the whole of his time to the duties of his office.

Persons disqualified for appointments. (2) No person shall hold office as Governor or Deputy Governor or Assistant Deputy Governor, who,—

(a) is not a British subject; or

(b) is a member of either House of Parliament or of a Provincial Legislature; or

(c) is employed in any capacity in the public service of Canada or of any Province of Canada or holds any office or position for which any salary or other remuneration is payable out of public moneys; or

(d) is a director, officer or employee of any other bank or financial institution, or has an interest as shareholder in any chartered bank or other financial institution in Canada.

MANAGEMENT.

Powers of Governor of the Bank.

7. (1) The Governor of the Bank shall be the chief executive officer and shall on behalf of the Board have the direction and control of the business of the Bank, with authority to act in connection with the conduct of the business of the Bank in all matters which are not by this Act or by the by-laws of the Bank specifically reserved to be done by the Board or at a meeting of shareholders.

Duties of Deputy Governors.

(2) The Deputy Governor and the Assistant Deputy Governor shall perform such duties as are assigned by the Board.

Absence or incapacity of Governor.

(3) In the event of absence or incapacity of the Governor from whatever cause arising, the Deputy Governor shall have and may exercise all the powers and functions of the Governor.

Absence or incapacity of Governor and deputy governor.

(4) In the event of absence or incapacity of both the Governor and the Deputy Governor, the Board of Directors shall authorize the Assistant Deputy Governor or one of the members of the Board to act as the Governor for the time being, but no such person shall have authority to act as Governor for a period exceeding one month without the approval of the Governor in Council.

Tenure of office.

8. (1) The Governor, Deputy Governor and Assistant Deputy Governor shall hold office for seven years and shall be appointed as hereinafter provided.

Appointment of first Governor, deputy and assistant.

(2) The first Governor, Deputy Governor and Assistant Deputy Governor shall be appointed and their salaries shall be fixed by the Governor in Council and thereafter appointments shall be made by the directors with the approval of the Governor in Council.

Salaries.

(3) Except as provided in the next preceding subsection the Governor, Deputy Governor and Assistant Deputy Governor shall receive such salaries as the directors from time to time determine, but no such remuneration shall be in the form of a commission or be computed by reference to the income or profits of the Bank.

Re-appointment.

(4) The Governor, the Deputy Governor and the Assistant Deputy Governor shall on the expiry of their terms of office be eligible for re-appointment.

DIRECTORS.

Appointment of first directors.

9. (1) The first directors shall be appointed by the Governor in Council for terms to run from the date of the appointment as follows: one until the third annual general meeting, two until the fourth annual general meeting, two until the fifth annual general meeting and two until the sixth annual general meeting respectively.

Term of office.

Election of directors.

(2) Thereafter directors shall be elected by the shareholders at annual general meetings and shall hold office for terms of five years.

Vacancies.

(3) In the event of a vacancy amongst the directors the Board shall appoint a qualified person to hold office until the next annual general meeting, when the shareholders shall elect a person to fill the vacancy, for the remainder of the term.

Re-appointment.

(4) The directors shall on the expiry of their terms of office be eligible for re-appointment.

Qualification.

10. (1) No person except a shareholder qualified to vote at a meeting or, in the case of the first directors, a person who has subscribed for not less than ten shares of the capital stock shall be appointed or elected or shall continue to hold office as a director.

Directors to represent diversified occupations.

(2) The directors shall be selected from diversified occupations, but no person shall be eligible to be a director who is a director, officer or employee of a chartered bank.

Persons disqualified to be directors.

(3) No person shall be appointed or elected or shall continue to hold office as a director, who—

(a) is not a British subject ordinarily resident in Canada; or

(b) is a member of either House of Parliament or of a Provincial Legislature; or

(c) is employed in any capacity in the public service of Canada or of any Province of Canada or holds any office or position for which any salary or other remuneration is payable out of public moneys.

Removal if permanently incapicitated.

(4) If any director, in the opinion of the Board, becomes permanently incapacitated, he may be removed from office by resolution of the Board approved by the Governor in Council.

Fees of directors.

11. The directors shall be entitled to receive for attendance at directors' meetings and executive committee meetings, such fees as may be fixed by the Board and approved at a general meeting, but the aggregate amount of the fees paid to all directors, exclusive of expenses, shall not exceed twenty thousand dollars in any year.

Chairman.

12. The directors shall select a chairman of the Board from amongst their number.

EXECUTIVE COMMITTEE

Constitution of Executive Committee.

13. (1) There shall be an Executive Committee of the Board, consisting of the Governor, the Deputy Governor and one director acting by direction of the Board.

Powers.

(2) The Executive Committee shall be competent to deal with any matter within the competence of the Board but every decision of the committee shall be submitted to the Board at its next meeting.

Rate of discount and rediscount.

(3) The Executive Committee shall determine the minimum rates at which the Bank is prepared to discount or rediscount bills or to make advances and shall at all times make public such rates.

Minutes.

(4) The Executive Committee shall keep full minutes of its proceedings, which shall be submitted to the Board at its next meeting.

BANK STAFF.

Officers and employees.

14. (1) Such other officers, clerks and employees may be employed as in the opinion of the Executive Committee may be necessary.

Salaries.

(2) In the case of officers, clerks and employees of the Bank who at the date of appointment were officers, clerks or employees of the Civil Service of Canada, the salaries to be paid by the Bank shall be at rates not less than the rates which such persons were receiving in the Civil Service.

Contributor under Superannuation Act may continue payments for one year. Bank to contribute like amount.

(3) Any officer, clerk or employee mentioned in subsection two of this section who was a contributor under the provisions of the *Civil Service Superannuation Act*, chapter twenty-four of the Revised Statutes of Canada, 1927, may continue as a contributor under the provisions of the said Superannuation Act for a period not exceeding one year after the date of his appointment by the Bank, and shall during such period continue his contributions to the Civil Service Superannuation Fund and the Bank shall during the said period contribute to the said Fund a like amount.

Adjustment at end of year, subject to right of election.

Subject to the provisions of subsection four of this section, at the expiration of one year after the date of the appointment by the Bank of any such officer, clerk or employee his benefits under the provisions of the said Superannuation Act shall be calculated and determined as of the date of the expiration of the said year as if he had at that time retired from the Civil Service by reason of abolition of his office, in which case the enjoyment of the said benefits shall be deferred until such time as he leaves the service of the bank.

Right of election when he becomes contributor to Bank pension fund.

(4) Upon the said officer, clerk or employee becoming a contributor to or participant in any pension scheme which the Bank may establish he may elect either—

Benefits calculated at date of becoming contributor to Bank pension fund.

(i) to have his benefits under the provisions of the said Superannuation Act calculated and determined as at the date of his becoming a contributor to or participant in any pension scheme which the Bank may establish or at the expiration of one year from the date

of his appointment as aforesaid, whichever shall first occur, in which case the enjoyment of the said benefits shall be deferred until such time as he leaves the service of the Bank; or

Waiver of rights under Superannuation Act.

(ii) to waive his right to any payment or benefit under the said Superannuation Act and in that case his period of service in the Civil Service shall be counted as service with the Bank for the purposes of the Bank's pension scheme to the extent that such service would have counted under the said Superannuation Act.

Period in Civil Service to be counted.

Agreement as to amount to be paid to Bank on assumption of liability.

The Governor in Council and the Bank may enter into an agreement as to the amount to be paid to the Bank with reference to the assumption by the Bank of liability under its pension scheme with respect to the said period of service in the Civil Service.

Payment.

The Minister may pay the amount agreed upon out of any unappropriated moneys in the Consolidated Revenue Fund, which shall be recorded as a payment from the said Superannuation Fund, and the Bank shall pay the said amount into its Pension Fund.

Regulations.

(5) The Governor in Council may make such regulations as may be deemed necessary to give effect to the provisions of subsections three and four of this section.

Pension fund.

(6) The Board may establish a pension fund for the officers, clerks and employees of the Bank and their dependents, and may contribute to it out of the funds of the Bank, and such pension fund shall be invested in securities in which a trust company may invest under the Trust Companies Act.

Oath of directors and staff.

15. Every director, officer, clerk and employee of the Bank shall before entering upon his duties take before a Justice of the Peace or a Commissioner for taking affidavits, an oath of fidelity and secrecy in the form prescribed in Schedule A to this Act.

CAPITAL AND SHARES.

Capital.

16. (1) The capital of the Bank shall be five million dollars but may be increased from time to time pursuant to a resolution passed at a meeting of shareholders and approved by the Governor in Council.

Shares.

(2) The capital shall be divided into shares of one hundred dollars each, represented by share certificates, which shall

Public subscription.

be offered by the Minister at par for public subscription in Canada and shall be allotted by him to persons eligible to hold shares, in such manner as he may in his discretion determine.

Minister may subscribe for shares not taken up.

(3) In the event of any of the shares (whether of the original or any subsequent issue) not being subscribed for by the public within a reasonable period the Minister shall subscribe for such shares, and notwithstanding any other provision of this Act, payment for the same shall be made out of the Consolidated Revenue Fund.

Offered to public.

(4) The Minister shall from time to time offer shares held by him or shares representing any increase of capital for subscription by the public at not less than par, whenever in the opinion of the Board it is desirable to do so.

Payment for shares.

(5) The sum of twenty-five dollars, or such greater amount as the Minister may determine, shall be payable in respect of each share on application, and the balance shall be paid in one or more instalments within such period thereafter, not exceeding twelve months, as may be fixed by the Minister.

Shares held by Minister to be registered.

(6) Shares held by the Minister shall be registered in his name and he shall be entitled to vote in respect of such shares.

Limited liability.

(7) The liability of every shareholder shall be limited to the amount for the time being unpaid in respect of shares held by such shareholder.

British subjects only to hold shares.

Fifty shares to any one shareholder.

(8) Shares may be held only by or for the beneficial ownership of British subjects ordinarily resident in Canada, or corporations organized under the laws of the Dominion of Canada or of any province and controlled by British subjects ordinarily resident in Canada but not more than fifty shares shall be held by or for the benefit of any one person other than the Minister.

Registry offices.

(9) The Bank shall open and maintain one or more share registry offices at places to be designated by the Board.

No shares to be held by chartered banks.

17. (1) No shares of the capital stock of the Bank shall be held by or for the benefit of any chartered bank or any director, officer, clerk or employee of any such bank, and no chartered bank shall have any interest, directly or indirectly or through the medium of any officer, clerk, employee or other person, in any share of the Bank.

Statement from general manager.

(2) On the last day of January in each year the General Manager of every chartered bank shall transmit to the Minister a statement in the form of Schedule B to this Act that he has duly inquired and has found that no share of the Bank nor any interest therein is or has been during the preceding year held by or for the chartered bank contrary to the provisions of this section, or as the case may be.

Transfer or disposal of shares held in excess of fifty or by person ineligible.

18. If shares are held by a person not eligible to hold shares or if shares in excess of fifty are held by one person, the Governor shall require the shareholder to transfer or dispose of the shares or the shares in excess of fifty, as the case may be. If a shareholder fails to comply with this requirement within three months, the shares in question

shall be forfeited to the Crown and shall be registered in the name of the Minister without further proceedings or formality, and may be sold by the Minister and the proceeds of any such sales shall be deposited in the Consolidated Revenue Fund.

COMMENCEMENT OF BUSINESS.

Certificate to commence business.

19. (1) Whenever the capital stock of the Bank has been subscribed and payment in money made to the amount of twenty-five dollars per share, or such larger amount as the Minister determines, the Minister, when authorized by the Governor in Council, may issue a certificate authorizing the Bank to commence business on a date to be fixed therein.

Permission to commence.

(2) The Bank shall not issue notes or otherwise engage in business until the date fixed in such certificate except to do what is necessary or advisable to enable it to commence business on the said date.

BUSINESS AND POWERS OF THE BANK.

20. (1) The Bank may

Coin and bullion.

(a) buy and sell gold, silver, nickel and bronze coin and gold and silver bullion;

Exchange.

(b) effect transfers of funds by telegram, letter or other method of communication and buy and sell trade acceptances, bankers' acceptances, and bills of exchange drawn in or on places outside of Canada and having a maturity not exceeding three months from the date of acquisition by the Bank;

Investments.

(c) buy and sell or rediscount short term securities issued or guaranteed by the Dominion of Canada or any province, having a maturity not exceeding two years from the date of acquisition by the Bank;

(d) buy and sell securities issued or guaranteed by the Dominion of Canada or any province, having a maturity exceeding two years from the date of acquisition by the Bank but the Bank shall at no time hold such securities (exclusive of securities transferred to the Bank under paragraph *(c)* of subsection three of section twenty-four) in excess of twice the amount of the paid-up capital of the Bank;

(e) buy and sell short term securities issed by the United Kingdom, any British Dominion, the United States of America, or France, having a maturity not exceeding six months from the date of acquisition by the Bank;

(f) buy and sell securities issued by the United Kingdom or the United States of America, having a maturity exceeding six months from the date of acquisition by the Bank, but the Bank shall at no time hold such securities in excess of one-half of the amount of the paid up capital of the bank;

Discounts.

(g) buy and sell or rediscount bills of exchange and promissory notes endorsed by a chartered bank drawn or issued in connection with the production or marketing of goods, wares and merchandise as defined in the Bank Act, excepting those mentioned in paragraph *(h)* of this subsection, and having a maturity not exceeding three months from the date of acquisition by the Bank;

(h) buy and sell or rediscount bills of exchange and promissory notes endorsed by a chartered bank, drawn or issued in connection with the production or marketing of products of agriculture, the forest, the quarry and mine, or the sea, lakes and rivers, as defined in the Bank Act, and having a maturity not exceeding six months from the date of acquisition by the Bank; provided that the Bank may by regulation limit to a percentage of its total assets the amount of such paper having a maturity in excess of three months but not exceeding six months from the date of acquisition by the Bank;

Loans and advances.

(i) make loans or advances for periods not exceeding three months to chartered banks on the pledge or hypothecation of the foregoing classes of securities, bills of exchange or promissory notes, or of Canadian municipal securities, or of gold or silver coin or bullion, or documents of title relating thereto;

(j) make loans or advances to the Dominion government or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranteed by the Dominion of Canada or any province;

(k) make loans to the Dominion Government or the government of any province, but such loans outstanding at any one time shall not, in the case of the Dominion Government, exceed one-third of the estimated revenue of such government for its fiscal year, and shall not in the case of any provincial government exceed one-fourth of such government's estimated revenue for its fiscal year; and such loans shall be repaid before the end of the first quarter after the end of the fiscal year of such government;

Open market operations.

(l) for the purpose of its open market operations, buy and sell in the open market from or to any person, either in or outside of Canada, securities, cable transfers, bankers' acceptances, promissory notes and bills of exchange of the kinds and maturities defined in, and subject to the limitations, if any, contained in, paragraphs *(b)*, *(c)*, *(d)*, *(e)*, *(g)* and *(h)* of this subsection with or without the endorsement of a chartered bank;

Deposits.

(m) accept from the Dominion Government or the government of any province or from any chartered bank deposits which shall not bear interest;

(n) open accounts in a central bank in any other country or in the Bank for International Settlements and act as agent, depository or correspondent of such other central banks or the Bank for International Settlements;

Real estate.

(o) acquire by purchase or lease and hold real or immovable property for the actual use and occupation of the Bank in connection with its business and sell and dispose of the same;

(p) do anything ancillary to all or any of the above purposes.

Acquisition of collateral securities.

(2) The Bank may acquire from any chartered bank and hold any warehouse receipt, bill of lading and other security, held by such chartered bank pursuant to the provisions of the *Bank Act*, as collateral security for the repayment of any bill of exchange or promissory note acquired by the Bank under the provisions of the next preceding subsection; and the Bank may exercise every right and remedy in respect of such collateral security as could have been exercised by the chartered bank aforesaid.

Prohibited business.

21. The Bank shall not, except as authorized by this Act,

(a) engage or have a direct interest in any trade or business whatsoever;

(b) purchase its own stock or the shares of any other bank except the Bank for International Settlements or make loans upon the security thereof;

(c) lend or make advances upon the security of any real or immovable property; provided that in the event of any claims of the Bank being in the opinion of the Board endangered, the Bank may secure itself on any real property of the debtor or any other person liable and may acquire such property, which shall, however, be resold as soon as practicable thereafter;

(d) make loans or advances without security;

(e) accept deposits for a fixed term or pay interest on any moneys deposited with the Bank;

(f) allow the renewal of maturing bills of exchange, promissory notes or other similar documents purchased or discounted by or pledged to the Bank; provided that the Board may make regulations authorizing in special circumstances not more than one renewal of any such bill of exchange, promissory note or other document.

Fiscal agent of Dominion Government and of provinces.

22. (1) The Bank shall act as fiscal agent of the Government of Canada without charge and, subject to the provisions of this Act, by agreement, may also act as banker or fiscal agent of the government of any province.

To manage public debt.

(2) The Bank, if and when required by the Minister so to do, shall act as agent for the Government of Canada in the payment of interest and principal and generally in respect of the management of the public debt of Canada.

Official cheques to be paid at par.

(3) The Bank shall not make any charge for cashing any cheque drawn on the Receiver General or on his account or for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund or upon any cheque drawn in favour of the Government of Canada or any department thereof and tendered for deposit in the Consolidated Revenue Fund.

NOTE ISSUE.

Sole right of note issue.

23. (1) On and after the day on which the Bank is authorized to commence business the Bank shall, except as provided in the *Bank Act*, have the sole right to issue notes payable to bearer on demand and intended for circulation in Canada and may, subject to the provisions of section twenty-five of this Act, issue such notes to any amount. Such notes shall be legal tender, and shall be the first charge upon the assets of the Bank.

Arrangements for issue.

(2) It shall be the duty of the bank to make adequate arrangements for the issue of its notes at its head office and at its branch offices and agencies in Canada, and to supply such notes as required for circulation in Canada.

Denominations.

(3) Notes of the Bank shall be in such denominations as the Governor in Council from time to time determines and shall be signed by two persons nominated by the Board.

Signatures.

Facsimiles.

Facsimiles printed from engravings may be substituted for signatures in the proper handwriting of one or both persons nominated to sign, but if both of the signatures are printed then a distinguishing device and serial number shall be printed on each note after the notes have been delivered by the printer and engraver to the Bank and while in the custody of the officers of the Bank.

Form and material.

(4) The form and material of the notes shall be subject to approval by the Minister.

No torn or defaced notes.

(5) The Bank shall not re-issue notes which are torn, partially defaced or soiled and provision may be made by the Bank for the disinfection and sterilization of notes before re-issue.

REDEMPTION OF NOTES.

Payment in gold.

24. (1) The Bank shall sell gold to any person who makes demand therefor at the head office of the Bank and tenders the purchase price in legal tender, but only in the form of bars containing approximately four hundred ounces of fine gold.

Power to suspend.

(2) The Governor in Council, from time to time and for such period as he may deem desirable, may suspend the operation of the next preceding subsection and remove such suspension.

Gold and securities to be turned over to Bank.

(3) On the day on which the Bank is authorized to commence business the Minister shall transfer to the Bank

(a) gold held by the Minister for redemption of Dominion notes;

(b) silver held by the Minister for redemption of Dominion notes valued at the market price of the fine silver content thereof;

(c) securities of the Dominion of Canada bearing interest at three per centum per annum, payable half-yearly and having a maturity not exceeding five years, valued at par;

to the amount of Dominion notes outstanding on that day, except notes issued under the authority of the Finance Act.

(4) On and after the day on which the Bank is authorized to commence business the Bank shall be responsible for the redemption of all Dominion notes then issued and outstanding and such notes shall be and continue to be legal tender.

Repayment of advances under Finance Act.

(5) On the day on which the Bank is authorized to commence business, the chartered banks shall repay all advances then outstanding under the *Finance Act.*

Power to issue securities 1931, c. 27.

(6) The Minister, for the purposes of paragraph *(c)* of subsection three of this section, is authorized to issue securities under the provisions of *The Consolidated Revenue and Audit Act, 1931,* and payment of the principal of and interest on such securities shall be made out of the Consolidated Revenue Fund.

RESERVES.

Reserve.

25. (1) The Bank shall always maintain a reserve, as hereinafter provided, as security against its outstanding notes and deposit liabilities.

"Reserve" defined.

(2) The reserve required by this section to be maintained shall comprise

(a) gold coin and bullion in the unrestricted ownership of the Bank to the amount of twenty-five per centum of the notes and deposit liabilities aforesaid;

(b) silver bullion received from the Minister under the next preceding section or purchased under the authority of subsection four hereof, valued at the market price of the fine silver content thereof; and

(c) foreign exchange, which shall mean

(i) Balances with the Bank of England, the Bank for International Settlements, banks in the city of New York approved by the Board and a central bank in any country whose currency by law and in fact is convertible on demand at a fixed price into exportable gold;

(ii) Treasury bills or other obligations of the United Kingdom or the United States of America having a maturity not exceeding three months from the date of acquisition by the Bank;

(iii) Bills of exchange having a maturity not exceeding three months from the date of acquisition by the Bank payable in London or New York or in a country whose currency by law and in fact is convertible on demand at a fixed price into exportable gold,

less any liabilities of the Bank payable in the currency of the United Kingdom, the United States of America, or any foreign country, whose currency is by law and in fact convertible on demand at a fixed price into exportable gold.

Power to suspend subsection one.

(3) At the request in writing of the Board, the Governor in Council may suspend the operation of this section insofar as it requires the Bank to maintain a reserve of gold to the amount of twenty-five per centum of its notes and liabilities. Such suspension shall be for such period not exceeding sixty days as may be specified by the Governor in Council, but on the further request in writing of the Board may be extended from time to time for further periods not exceeding sixty days each, provided, however, that no such suspension shall continue for a period longer than one year without the sanction of Parliament.

(4) The Bank shall during the years 1935, 1936 and 1937 purchase and hold newly-mined Canadian silver as and when required so to do by the Minister but the Bank shall never be required to purchase more than 1,671,802 fine ounces in any year.

RESERVE OF CHARTERED BANKS.

Deposits to be maintained by chartered banks.

26. (1) Every chartered bank shall on and after the day when the Bank is authorized to commence business, maintain deposits with the Bank which shall always be equal to five per centum of its deposit liabilities within Canada.

Penalty.

(2) If any chartered bank knowingly makes default in complying with the requirements of the preceding subsection, it shall be liable to a penalty at the rate of ten per centum per annum of the amount of deficiency for each day on which there is a deficiency in the amount of the deposit maintained by it with the Bank, and such penalty shall be payable to the Bank and recoverable by it by civil action.

Inspection.

(3) For the purpose of this section the Bank may authorize the Inspector General of Banks or one of its own officers to make an inspection of the books, accounts and documents of any chartered bank, and the chartered bank shall give the Inspector General or such officer access to the books, accounts and documents of the bank for such purpose, and if the Inspector General or officer is obstructed

or delayed in making an inspection the chartered bank shall be guilty of an offence and liable on summary conviction to a fine of one hundred dollars for each and every day during which the obstruction or delay continues.

Government guarantee.

(4) The Governor in Council is hereby authorized to guarantee that in the event of suspension of payments by the Bank the deposits made hereunder by every chartered bank to the extent of five per centum of its deposit liabilities within Canada will be repaid, and the guarantee may be in such form and on such terms and conditions as the Governor in Council may determine.

SURRENDER OF GOLD.

Chartered banks to deliver gold held.

27. (1) Every chartered bank shall, on the day on which the Bank is authorized to commence business, transfer to the Bank all gold coin or bullion owned and held by it in Canada.

Power to enforce this requirement.

(2) The Governor in Council may from time to time thereafter require every chartered bank or every other person to transfer to the Bank any or all gold coin or bullion held in Canada which is owned by such chartered bank or by such other person; and the Governor in Council may authorize all measures deemed necessary or expedient to enforce any such transfer and to impose and recover penalties in respect of any neglect or refusal to make any transfer so required.

VALUATION OF GOLD.

Valuation of gold.

28. Whenever gold is sold by, transferred to, held as reserve by, or deposited with the Bank pursuant to subsections one or three of section twenty-four, section twenty-five, or section twenty-seven of this Act, the value of the said gold shall be computed on the basis established by the *Currency Act* at the date of the relevant transaction.

Disposition of profits from sales.

29. Any profits resulting from the sale by the Bank of gold coin and bullion transferred to the Bank pursuant to subsection three of section twenty-four, or section twenty-seven of this Act, or from an increase in the value of such gold resulting from any change in the monetary standard of Canada shall be paid by the Bank to the Receiver General for the Consolidated Revenue Fund: Provided, however, that the aforesaid provisions of this section shall not apply in the case of gold transferred under subsection one of section twenty-seven, if the Governor in Council is satisfied that the said gold was at the time of the transfer being held by a chartered bank against liabilities elsewhere than in Canada, and in such case the said profit shall belong to the chartered bank.

PROFITS OF THE BANK.

Application of profits.

30. The Bank shall establish a rest fund and after making such provision as the Board thinks proper for bad and doubtful debts, depreciation in assets, pension funds and all such matters as are properly provided for by banks and after deducting an amount equal to six per centum of the paid-up capital which may be utilized for the payment of cumulative dividends at a rate of six per centum per annum, payable half-yearly, the ascertained surplus available from the operations of the Bank during each financial year shall be applied by the Board as follows:

(a) If the rest fund of the Bank is less than the paid-up capital, one-third of such surplus shall be allocated to the rest fund and the residue shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund;

(b) If the rest fund is not less than the paid-up capital but is less than twice the paid-up capital, one-tenth of such surplus shall be allocated to the rest fund and the residue shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund;

(c) If the rest fund is not less than twice the paid-up capital, the whole of such surplus shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund.

AUDIT.

Appointment of first auditors.

31. (1) For the purpose of auditing the affairs of the Bank, the Minister shall appoint two auditors, eligible to be appointed as auditors of a chartered bank, who shall continue to act as auditors until the first annual general meeting.

Annual appointment.

(2) The shareholders at each annual general meeting shall appoint two auditors, eligible to be appointed as auditors of a chartered bank, but no person shall be eligible for appointment if he or any member of his firm has been auditor for two successive years during the three next preceding years.

Vacancies.

(3) If any vacancy occurs in the office of auditor of the Bank, notice thereof shall forthwith be given by the Bank to the Minister, who thereupon shall appoint some other auditor eligible to be appointed as an auditor of a chartered bank to serve until the next annual general meeting.

Persons who may not act.

(4) No director or officer of the Bank and no member of a firm of auditors of which a director is a member shall be eligible for appointment as an auditor.

Reports to Minister.

(5) The Minister may from time to time require the auditors to report to him upon the adequacy of the procedure adopted by the Bank for the protection of its

creditors or shareholders and as to the sufficiency of their own procedure in auditing the affairs of the Bank; and the Minister may, at his discretion, enlarge or extend the scope of the audit, or direct that any other procedure be established or that any other examination be made by the auditors or by the Inspector-General of Banks as the public interest may seem to require.

Copies of reports to be sent to Minister.

(6) A copy of every report made by the auditors to the Bank under this section shall be transmitted to the Minister by the auditors at the same time as such report is transmitted to the Bank.

RETURNS.

Weekly statement of assets and liabilities.

32. (1) The Bank shall as soon as practicable after the close of business on Wednesday of each week, make up and transmit to the Minister in the form of Schedule C to this Act a statement of its assets and liabilities as at the close of business on that day.

Publication.

(2) A copy of every such statement shall be published in the next succeeding issue of the *Canada Gazette*.

Weekly statement of note circulation.

(3) The Bank shall also as soon as practicable after the close of business on Wednesday of each week, make up and transmit to the Minister a statement of the amount of its notes in circulation on each business day during the preceding seven day period.

Monthly statement of assets and liabilities.

(4) The Bank shall on or before the seventh day of each month make up and transmit to the Minister in the form of Schedule C to this Act a statement of its assets and liabilities on the last business day of the preceding month.

Declarations.

(5) Every return required under the last preceding subsection shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule C to this Act, and shall be signed by the Chief Accountant or by the Acting Chief Accountant, and by the Governor or the person then acting as Governor, and by the Deputy Governor or the Assistant Deputy Governor or other principal officer next in authority to the Assistant Deputy Governor at the time at which the declaration is signed.

Powers to amend.

(6) The Governor in Council may from time to time, as he deems necessary, amend the form of Schedule C to this Act.

Fiscal year.

33. (1) The fiscal year of the Bank shall be the calendar year.

Yearly statement of accounts.

(2) Within three months after the end of each fiscal year, the Bank shall transmit to the Minister a statement of its accounts for the fiscal year, signed by the Governor, the Deputy Governor and the Chief Accountant of the Bank and certified by the Auditors, in the form prescribed by the by-laws of the Bank.

Laid before Parliament.

(3) A copy of the accounts so signed and certified shall be forthwith published in the *Canada Gazette*, and if Parliament is then sitting, shall within fourteen days after the receipt thereof by the Minister be laid before Parliament, or if Parliament is not sitting, it shall be laid before Parliament within fourteen days after the commencement of the next ensuing session thereof.

Annual list of shareholders.

34. The Bank shall within sixty days after the end of each fiscal year transmit to the Minister a list of the names, addresses and descriptions of the shareholders of the Bank at the end of the year, and of the number of shares then held by each shareholder. Such list shall, if Parliament is then sitting, be laid before Parliament by the Minister within fourteen days after the receipt thereof, or if Parliament is not sitting, it shall be laid before Parliament within fourteen days after the commencement of the next ensuing session thereof.

MEETINGS.

Annual meeting.

35. (1) The annual general meeting of shareholders shall be held on the last Tuesday of March in each year at the head office of the Bank.

Special meeting.

(2) A special general meeting of the shareholders may be called at any time by the Board and shall be called by the Board whenever a request for such meeting is made in writing by not less than twenty-five shareholders, holding not less than five hundred shares.

Voting.

(3) Every shareholder shall have one vote for each share registered in his name for at least three months before the date of the meeting.

Ballots.

Proxies.

(4) The voting of the shareholders shall be by ballot. No person shall vote by proxy except that any shareholder may give to the Minister, in writing by registered post, instructions as to the manner in which he desires to vote on any business of the meeting. In any such case the Minister shall inform the scrutineers appointed at the meeting of the instructions so received and the scrutineers shall record the vote of each such shareholder in accordance with the instructions so given.

Notice of meeting and of business thereat.

(5) Notice of every general meeting of shareholders shall be given to every shareholder in writing, and such notice shall be accompanied by notice of all business to be transacted at such meeting, including the names if any of persons nominated as directors, and no person shall be eligible to be elected as a director unless notice of his nomination has been so given.

OFFENCES AND PENALTIES.

Holding office when ineligible.

36. Every person who holds office or continues to hold office as a Governor, Deputy Governor, Assistant Deputy Governor or director of the Bank, knowing that he is not eligible for such office, shall be guilty of an indictable offence and liable to imprisonment for not more than three years and not less than three months.

Verifying false statement, account or list.

37. Every director, officer or auditor of the Bank who verifies any statement, account or list required to be furnished to the Minister pursuant to the provisions of this Act, or who has to do with the delivering or transmitting of the same to the Minister, knowing the same to be false in any material particular, shall be guilty of an indictable offence and liable to imprisonment for not more than five years and not less than six months.

Transmitting any false statement.

38. Any officer of a chartered bank who transmits any statement to the Minister pursuant to the provisions of this Act or who has to do with preparing or transmitting the same to the Minister knowing the same to be false in any material particular, shall be guilty of an indictable offence and liable to imprisonment for not more than two years and not less than three months.

Contravention of Act.

39. Any officer of the Bank or any officer of a chartered bank or any other person who fails or omits to comply with any provision of this Act shall be guilty of an offence and, unless otherwise provided by this Act, shall be liable on summary conviction to a fine of not less than one hundred dollars and not more than five hundred dollars.

LIQUIDATION OR WINDING UP.

Winding up or insolvency.

40. No statute relating to the insolvency or winding-up of any corporation shall apply to the Bank and in no case shall the affairs of the Bank be wound up unless Parliament so provides; provided, however, that if provision is made for winding up the Bank the notes of the Bank outstanding shall be the first charge upon the assets and in no case shall the shareholders receive any payment in excess of the paid-up capital of the Bank and accrued dividends, if any.

ORGANIZATION EXPENSES.

Payment of expenses of organization.

41. All moneys required to be expended in connection with the organization of the Bank before the day on which the Bank is authorized to commence business not exceeding one hundred thousand dollars, or in connection with the

issue of increased capital stock, shall be paid out of any unappropriated moneys in the Consolidated Revenue Fund, and shall be recoverable from the Bank as a debt due to the Crown at any time after the Bank has been authorized to commence business.

BY-LAWS.

By-laws.

42. (1) The Governor in Council shall make by-laws not repugnant to the provisions of this Act with respect to

(a) the keeping of stock books, the recording of subscriptions and the enforcement of payment by subscribers and shareholders of instalments of capital due the Bank from such persons, and generally all questions relating to the obligations of the Bank to the shareholders and of the shareholders to the Bank;

(b) the transfer and transmission of shares;

(c) the declaration and payment of dividends;

(d) the calling of meetings of shareholders and of the Board and of the Executive Committee, and what number of persons shall constitute a quorum in each case, and how questions considered at such meetings shall be determined, and the nomination of directors and auditors, and generally as to the procedure governing such meetings;

(e) the duties and conduct of officers, clerks and employees of the Bank;

(f) the form of the annual statement of accounts;

(g) generally as to the management and disposition of the stock, property and affairs of the Bank.

Amendment or repeal.

(2) The Board may with the approval of the Governor in Council amend or repeal such by-laws or make others with respect to the matters mentioned in subsection one hereof.

Force and effect.

(3) Every by-law made hereunder shall have the same force and effect as if enacted in this Act.

Publication.

(4) Every by-law and every amendment or repeal thereof shall take effect when published in the *Canada Gazette*.

Commencement of Act.

43. This Act shall come into force on a date to be fixed by proclamation of the Governor in Council.

SCHEDULE A.

Oath of Fidelity and Secrecy.

I, ... do solemnly swear that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as a director *(officer or employee as the case may be)* of the Bank of Canada and which properly relate to any office or position in the said Bank held by me.

I further solemnly swear that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Bank, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Bank and relating to the business of the Bank.

SCHEDULE B.

Statement of General Manager.

January 31st,

To The Honourable the Minister of Finance.

Pursuant to section seventeen of the *Bank of Canada Act*, I have duly inquired whether any shares of the capital stock of the Bank of Canada have at any time during the calendar year ..... been held by or for the benefit of *(name of chartered bank)* contrary to the provisions of the *Bank of Canada Act*, and I have found that no shares were held by or for the benefit of *(name of chartered bank) (or as the case may be)*.

.....

General Manager.

SCHEDULE C

Statement of Assets and Liabilities of Bank of Canada as at , 19 .

LIABILITIES—		ASSETS—	
1. CAPITAL PAID UP		1. RESERVE—	
		Gold coin and bullion	
		Silver bullion	
		Reserve in Sterling funds	
		Reserve in U.S. funds	
		Reserve in funds of other countries on a gold standard	
2. REST FUND		Total	
3. NOTES IN CIRCULATION		2. SUBSIDIARY COIN	
4. DEPOSITS—		3. BILLS DISCOUNTED—	
(a) Dominion Government		(a) Commercial Bills	
(b) Provincial Governments		(b) Agricultural Bills, etc	
(c) Chartered banks		(c) Dominion Government Treasury Bills	
(d) Other		(d) Provincial Government Treasury Bills	
Total		Total	
5. LIABILITIES PAYABLE IN STERLING, U.S. AND FOREIGN GOLD CURRENCIES		4. LOANS AND ADVANCES—	
		(a) Dominion Government	
		(b) Provincial Governments	
		(c) Chartered Banks	
6. ALL OTHER LIABILITIES		Total	
		5. BILLS BOUGHT IN OPEN MARKET	
		6. INVESTMENTS—	
		(a) Dominion Government short-term securities	
		(b) Provincial Government short-term securities	
		(c) Other Dominion Government securities	
		(d) Other Provincial Government securities	
		(e) United Kingdom, other British Dominions or United States long term securities	
		Total	
		7. BANK PREMISES	
		8. ALL OTHER ASSETS	
TOTAL		TOTAL	

Ratio of Net Reserve (Item 1 of Assets less Item 5 of Liabilities) to Notes and Deposit Liabilities : per centum.

I declare that the foregoing return is correct according to the books of the Bank;

E.F.,

Chief Accountant (or acting Chief Accountant as the case may be);

We declare that the foregoing return is to the best of our knowledge and belief correct, and shows truly and clearly the financial position of the Bank, as required by section thirty-two of the Bank of Canada Act.

Place this day of , 19 .

A.B.,

Governor (or person acting as Governor as the case may be);

C.D.,

Deputy Governor (Assistant Deputy Governor or officer next in authority as the case may be).

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 19.

An Act to incorporate the Bank of Canada.

(Reprinted as Amended and Reported by the Select Standing Committee on Banking and Commerce.)

THE MINISTER OF FINANCE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
81420 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 19.

An Act to incorporate the Bank of Canada.

Preamble.

WHEREAS it is desirable to establish a central bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of the Dominion: Therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE

Short title.

1. This Act may be cited as the *Bank of Canada Act.*

INTERPRETATION

Definitions.

2. In this Act unless the context otherwise requires:—

"Board of Directors."

(a) "Board of Directors" or "Board" means the Board of Directors of the Bank of Canada;

"Chartered Bank."

(b) "chartered bank" means a bank to which the Bank Act applies;

"Director."

(c) "director" means a member of the Board of Directors other than the Governor or the Deputy Governor;

"Dominion notes."

(d) "Dominion notes" means notes payable to bearer on demand issued and outstanding, which on the day on which the Bank of Canada is authorized to commence business, constitute a direct liability of the Dominion of Canada;

Explanatory Notes.

In this Reprint changes proposed by the Committee are indicated by italics where the amendment is brief, and by vertical lines at the side of new paragraphs or sections. Omissions are shown by explanatory notes on the opposite page.

"Meeting." *(e)* "meeting" means a special or general meeting of the shareholders;

"Minister." *(f)* "Minister" means the Minister of Finance;

"Notes." *(g)* "notes" means notes of the Bank of Canada payable to bearer on demand and intended for circulation;

"Receiver General." *(h)* "Receiver General" means the Receiver General of Canada;

"The Bank." *(i)* "the Bank" means the Bank of Canada;

"Treasury Board." *(j)* "Treasury Board" means the Treasury Board as constituted by the Department of Finance and Treasury Board Act.

CONSTITUTION OF THE BANK.

The Bank constituted. **3.** (1) There shall be established a bank to be called the Bank of Canada.

Body corporate. (2) When the capital stock of the Bank has been subscribed as hereinafter provided, the Minister shall give public notice of the fact in the *Canada Gazette* and on the publication of such notice the shareholders shall become a body corporate.

Head Office. **4.** (1) The head office of the Bank shall be in the city of Ottawa.

Branches and agencies. (2) The Bank may establish branches and agencies and appoint agents in Canada and may also, with the approval of the Governor in Council, establish branches and appoint agents elsewhere than in Canada.

Board of directors. **5.** (1) The Bank shall be under the management of a Board of Directors composed of a Governor, a Deputy Governor and seven directors. There may also be an Assistant Deputy Governor.

Deputy Minister to be member of Board. (2) In addition to the Members of the Board as constituted by subsection one of this section, the Deputy Minister of Finance or, in case of his absence or incapacity at any time, such other officer of the Department of Finance as the Minister may nominate for the time being, shall be, by virtue of his office or of such nomination, as the case may be, a member of the Board, but shall not have the right to vote.

Governor and deputy governor. **6.** (1) The Governor and Deputy Governor shall be men of proven banking experience and each shall devote the whole of his time to the duties of his office.

Persons disqualified for appointments. (2) No person shall hold office as Governor or Deputy Governor or Assistant Deputy Governor, who,—

(a) is not a British subject; or

(b) is a member of either House of Parliament or of a Provincial Legislature; or

5. (2). This subsection is new.

(c) is employed in any capacity in the public service of Canada or of any Province of Canada or holds any office or position for which any salary or other remuneration is payable out of public moneys; or

(d) is a director, officer or employee of any other bank or financial institution or has an interest as a shareholder in any bank or other financial institution; or

(e) has reached the age of seventy-five years.

MANAGEMENT.

Powers of Governor of the Bank.

7. (1) The Governor of the Bank shall be the chief executive officer and shall on behalf of the Board have the direction and control of the business of the Bank, with authority to act in connection with the conduct of the business of the Bank in all matters which are not by this Act or by the by-laws of the Bank specifically reserved to be done by the Board or *by the Executive Committee or by* a meeting of shareholders.

Duties of Deputy Governors.

(2) The Deputy Governor and the Assistant Deputy Governor shall perform such duties as are assigned by the Board.

Absence or incapacity of Governor.

(3) In the event of absence or incapacity of the Governor from whatever cause arising, the Deputy Governor shall have and may exercise all the powers and functions of the Governor.

Absence or incapacity of Governor and deputy governor.

(4) In the event of absence or incapacity of both the Governor and the Deputy Governor, the Board of Directors shall authorize the Assistant Deputy Governor or one of the members of the Board to act as the Governor for the time being, but no such person shall have authority to act as Governor for a period exceeding one month without the approval of the Governor in Council.

Tenure of office.

8. (1) The Governor, Deputy Governor and Assistant Deputy Governor shall each be appointed as hereinafter provided for a term of seven years or, in the case of the first Governor, Deputy Governor and Assistant Deputy Governor, for such shorter period as the Governor in Council may determine.

Appointment of first Governor, deputy and assistant.

(2) The first Governor, Deputy Governor and Assistant Deputy Governor shall be appointed and their salaries shall be fixed by the Governor in Council and thereafter appointments shall be made by the directors with the approval of the Governor in Council.

Salaries.

(3) Except as provided in the next preceding subsection the Governor, Deputy Governor and Assistant Deputy Governor shall receive such salaries as the directors from time to time determine, but no such remuneration shall be in the form of a commission or be computed by reference to the income or profits of the Bank.

6. *(d)* This paragraph is amended by omitting the word "chartered" before the word "bank" in the third line.

(e) This paragraph is new.

8. (1) This subsection previously read:—

"**8.** (1) The Governor, Deputy Governor and Assistant Deputy Governor shall hold office for seven years and shall be appointed as hereinafter provided."

Re-appointment.

(4) The Governor, the Deputy Governor and the Assistant Deputy Governor shall on the expiry of their terms of office be eligible for re-appointment.

Condition of tenure.

(5) The Governor, Deputy Governor and Assistant Deputy Governor shall each hold office for the aforesaid term during good behaviour.

DIRECTORS.

Provisional directors.

9. (1) Notwithstanding anything contained in section ten of this Act, the first, or provisional, directors of the Bank shall be the following members of the Civil Service of Canada, namely, The Deputy Minister of Finance; The Counsellor of the Department of External Affairs; The Comptroller, Government Guarantee Branch; The Comptroller of the Treasury; The Comptroller of Currency; The Director of Estimates and Assistant Secretary to the Treasury Board, and The Solicitor to the Treasury, who shall remain in office until replaced by directors duly elected in their stead at the first general meeting of shareholders. The said first or provisional directors shall serve without remuneration.

Remain in office until directors are elected.

Term of office of elected directors.

(2) At the first general meeting of shareholders aforesaid, directors shall be elected for terms to run as follows: one until the third annual general meeting, two until the fourth annual general meeting, two until the fifth annual general meeting and two until the sixth annual general meeting respectively.

Election of directors.

(3) Thereafter directors shall be elected by the shareholders at annual general meetings and shall hold office for terms of five years.

Vacancies.

(4) In the event of a vacancy amongst the directors the Board shall appoint a qualified person to hold office until the next annual general meeting, when the shareholders shall elect a person to fill the vacancy, for the remainder of the term.

Re-appointment.

(5) The directors shall on the expiry of their terms of office be eligible for re-appointment.

Qualification.

10. (1) No person except a shareholder who is the registered owner of ten shares of the capital stock and who has paid all calls thereon shall be elected or shall continue to hold office as a director.

Directors to represent diversified occupations.

(2) The directors shall be selected from diversified occupations, but no person shall be eligible to be a director who is a director, officer or employee of a chartered bank.

Persons disqualified to be directors.

(3) No person shall be elected or shall continue to hold office as a director, who—

(a) is not a British subject ordinarily resident in Canada; or

8. (5) This subsection is new.

9. (1) This subsection previously read:—

"**9.** (1) The first directors shall be appointed by the Governor in Council for terms to run from the date of the appointment as follows: one until the third annual general meeting, two until the fourth annual general meeting, two until the fifth annual general meeting and two until the sixth annual general meeting respectively."

9. (2) This subsection is new.

10. (1) This subsection previously read:—

"**10.** (1) No person except a shareholder qualified to vote at a meeting or, in the case of the first directors, a person who has subscribed for not less than ten shares of the capital stock shall be appointed or elected or shall continue to hold office as a director."

(3) The words "appointed or" before the word "elected" in the first line, are struck out.

(*b*) is employed in any capacity in the public service of Canada or of any Province of Canada or holds any office or position for which any salary or other remuneration is payable out of public moneys; or

(*c*) has reached the age of seventy-five years.

Removal if permanently incapicitated.

(4) If any director, in the opinion of the Board, becomes permanently incapacitated, he may be removed from office by resolution of the Board approved by the Governor in Council.

Fees of directors.

11. The directors shall be entitled to receive for attendance at directors' meetings and executive committee meetings, such fees as may be fixed by the Board and approved at a general meeting, but the aggregate amount of the fees paid to all directors, exclusive of expenses, shall not exceed twenty thousand dollars in any year.

Chairman.

12. The *members of the Board* shall select a chairman of the Board from amongst their number.

EXECUTIVE COMMITTEE

Constitution of Executive Committee.

13. (1) There shall be an Executive Committee of the Board, consisting of the Governor, the Deputy Governor and one director *selected by* the Board.

Deputy Minister to be member of executive committee.

(2) In addition to the Members of the Executive Committee as constituted by subsection one of this section, the Deputy Minister of Finance or, in case of his absence or incapacity at any time, such other officer of the Department of Finance as the Minister may nominate for the time being shall be by virtue of his office or of such nomination, as the case may be, a member of the Executive Committee, but shall not have the right to vote.

Powers.

(3) The Executive Committee shall be competent to deal with any matter within the competence of the Board but every decision of the committee shall be submitted to the Board at its next meeting.

Rate of discount and rediscount.

(4) Except when the Board is in session the Executive Committee shall determine the minimum rates at which the Bank is prepared to discount or rediscount bills or to make advances and the Bank shall at all times make public the rates at which it is prepared to discount or rediscount bills or to make advances.

Minutes.

(5) The Executive Committee shall keep full minutes of its proceedings, which shall be submitted to the Board at its next meeting.

All action must be concurred in by Governor or deputy.

14. No action or decision of the Board of Directors, or of the Executive Committee, shall have any effect unless the same is concurred in by the Governor, or in his absence or incapacity, by the Deputy Governor.

10. (3) Paragraph *(b)* of this subsection as it appears in the Bill introduced is struck out. It reads:—

(b) is a member of either House of Parliament or of a Provincial Legislature; or"

Paragraph *(c)* is new.

12. The words "members of the Board" are substituted for the word "directors".

13. (1) The words "selected by" in the third line are substituted for the words "acting by direction of".

13. (4) This subsection previously read:—

"(3) The Executive Committee shall determine the minimum rates at which the Bank is prepared to discount or rediscount bills or to make advances and shall at all times make public such rates."

14. This section is new.

BANK STAFF.

Officers and employees.

15. (1) Such other officers, clerks and employees may be employed as in the opinion of the Executive Committee may be necessary.

Salaries.

(2) In the case of officers, clerks and employees of the Bank who at the date of appointment were officers, clerks or employees of the Civil Service of Canada, the salaries to be paid by the Bank shall be at rates not less than the rates which such persons were receiving in the Civil Service.

Contributor under Superannuation Act may continue payments for one year. Bank to contribute like amount.

(3) Any officer, clerk or employee mentioned in subsection two of this section who was a contributor under the provisions of the *Civil Service Superannuation Act*, chapter twenty-four of the Revised Statutes of Canada, 1927, may continue as a contributor under the provisions of the said Superannuation Act for a period not exceeding one year after the date of his appointment by the Bank, and shall during such period continue his contributions to the Civil Service Superannuation Fund and the Bank shall during the said period contribute to the said Fund a like amount.

Adjustment at end of year, subject to right of election.

Subject to the provisions of subsection four of this section, at the expiration of one year after the date of the appointment by the Bank of any such officer, clerk or employee his benefits under the provisions of the said Superannuation Act shall be calculated and determined as of the date of the expiration of the said year as if he had at that time retired from the Civil Service by reason of abolition of his office, in which case the enjoyment of the said benefits shall be deferred until such time as he leaves the service of the Bank.

Right of election when he becomes contributor to Bank pension fund.

(4) Upon the said officer, clerk or employee becoming a contributor to or participant in any pension scheme which the Bank may establish he may elect either—

Benefits calculated at date of becoming contributor to Bank pension fund.

(i) to have his benefits under the provisions of the said Superannuation Act calculated and determined as at the date of his becoming a contributor to or participant in any pension scheme which the Bank may establish or at the expiration of one year from the date of his appointment as aforesaid, whichever shall first occur, in which case the enjoyment of the said benefits shall be deferred until such time as he leaves the service of the Bank; or

Waiver of rights under Superannuation Act.

(ii) to waive his right to any payment or benefit under the said Superannuation Act and in that case his period of service in the Civil Service shall be counted as service with the Bank for the purposes of the Bank's pension scheme to the extent that such service would have counted under the said Superannuation Act.

Period in Civil Service to be counted.

The Governor in Council and the Bank may enter into

Agreement as to amount to be paid to Bank on assumption of liability.

Payment.

an agreement as to the amount to be paid to the Bank with reference to the assumption by the Bank of liability under its pension scheme with respect to the said period of service in the Civil Service. The Minister may pay the amount agreed upon out of any unappropriated moneys in the Consolidated Revenue Fund, which shall be recorded as a payment from the said Superannuation Fund, and the Bank shall pay the said amount into its Pension Fund.

Regulations.

(5) The Governor in Council may make such regulations as may be deemed necessary to give effect to the provisions of subsections three and four of this section.

Pension fund.

(6) The Board may *by by-law* establish a pension fund for the officers, clerks and employees of the Bank and their dependents, and may contribute to it out of the funds of the Bank, and such pension fund shall be invested in securities in which a trust company may invest under the Trust Companies Act.

Oath of directors and staff.

16. Every director, officer, clerk and employee of the Bank shall before entering upon his duties take before a Justice of the Peace or a Commissioner for taking affidavits, an oath of fidelity and secrecy in the form prescribed in Schedule A to this Act.

CAPITAL AND SHARES.

Capital.

17. (1) The capital of the Bank shall be five million dollars but may be increased from time to time pursuant to a resolution passed *by the Board and ratified* at a meeting of shareholders and approved by the *Parliament of Canada.*

Shares.

(2) The capital shall be divided into shares of *fifty* dollars each, represented by share certificates, which shall be offered by the Minister at *not less than* par for public subscription in Canada and shall be allotted by him to persons eligible to hold shares, in such manner as he may in his discretion determine.

Public subscription.

Minister may subscribe for shares not taken up.

(3) In the event of any of the shares (whether of the original or any subsequent issue) not being subscribed for by the public within a reasonable period the Minister shall subscribe for such shares, and notwithstanding any other provision of this Act, payment for the same shall be made out of the Consolidated Revenue Fund.

Offered to public.

(4) The Minister shall from time to time offer shares held by him or shares representing any increase of capital for subscription by the public at not less than par, whenever in the opinion of the *Minister* it is desirable to do so.

Payment for shares.

(5) The sum of *twelve dollars and fifty cents*, or such greater amount as the Minister may determine, shall be payable in respect of each share on application, and the balance shall

17. (1) and (2). These subsections previously read:—

"**16.** (1) The capital of the Bank shall be five million dollars but may be increased from time to time pursuant to a resolution passed at a meeting of shareholders and approved by the Governor in Council.

(2) The capital shall be divided into shares of one hundred dollars each, represented by share certificates, which shall be offered by the Minister at par for public subscription in Canada and shall be allotted by him to persons eligible to hold shares, in such manner as he may in his discretion determine."

17. (4) The word "Minister" is substituted for the word "Board" in the last line.

17. (5) The words "twelve dollars and fifty cents" are substituted for the words "twenty-five dollars" in the first line.

be paid in one or more instalments within such period thereafter, not exceeding twelve months, as may be fixed by the Minister.

Shares held by Minister to be registered.

(6) Shares held by the Minister shall be registered in his name and he shall be entitled to vote in respect of such shares.

Limited liability.

(7) The liability of every shareholder shall be limited to the amount for the time being unpaid in respect of shares held by such shareholder.

British subjects only to hold shares.

Fifty shares to any one shareholder.

(8) Shares may be held only by or for the beneficial ownership of British subjects ordinarily resident in Canada, or corporations organized under the laws of the Dominion of Canada or of any province and controlled by British subjects ordinarily resident in Canada but not more than fifty shares shall be held by or for the benefit of any one person other than the Minister.

Registry offices.

(9) The Bank shall open and maintain one or more share registry offices at places to be designated by the Board.

No shares to be held by chartered banks.

18. (1) No shares of the capital stock of the Bank shall be held by or for the benefit of any chartered bank or any director, officer, clerk or employee of any such bank, and no chartered bank shall have any interest, directly or indirectly or through the medium of any officer, clerk, employee or other person, in any share of the Bank.

Statement from general manager.

(2) On the last day of January in each year the General Manager of every chartered bank shall transmit to the Minister a statement in the form of Schedule B to this Act that he has duly inquired and has found that no share of the Bank nor any interest therein is or has been during the preceding year held by or for the chartered bank contrary to the provisions of this section, or as the case may be.

Transfer or disposal of shares held in excess of fifty or by person ineligible.

19. If shares are held by a person not eligible to hold shares or if shares in excess of fifty are held by one person, the Governor shall require the shareholder to transfer or dispose of the shares or the shares in excess of fifty, as the case may be. If a shareholder fails to comply with this requirement within three months, the shares in question shall *ipso facto on the expiration of three months from the mailing at Ottawa by registered mail of such requirement in the form of a notice in writing by the Minister to such shareholder* be forfeited to the Crown and shall be registered in the name of the Minister without further proceedings or formality, and may be sold by the Minister and the proceeds of any such sales shall be deposited in the Consolidated Revenue Fund.

19. The words in italics are inserted by the Committee. There is no other change.

COMMENCEMENT OF BUSINESS.

Certificate to commence business.

20. (1) Whenever the capital stock of the Bank has been subscribed and payment in money made to the amount of *twelve dollars and fifty cents* per share, or such larger amount as the Minister determines, the Minister, when authorized by the Governor in Council, may issue a certificate authorizing the Bank to commence business on a date to be fixed therein.

Permission to commence.

(2) The Bank shall not issue notes or otherwise engage in business until the date fixed in such certificate except to do what is necessary or advisable to enable it to commence business on the said date.

BUSINESS AND POWERS OF THE BANK.

21. (1) The Bank may

Coin and bullion.

(a) buy and sell gold, silver, nickel and bronze coin and gold and silver bullion;

Exchange.

(b) effect transfers of funds by telegram, letter or other method of communication, and buy and sell *transfers effected by such means*, trade acceptances, bankers' acceptances, *bankers' drafts*, and bills of exchange drawn in or on places outside of Canada and having a maturity not exceeding *ninety days excluding days of grace, or not exceeding ninety days after sight excluding days of grace*, from the date of acquisition by the Bank.

Investments.

(c) buy and sell or rediscount short term securities issued or guaranteed by the Dominion of Canada or any province, having a maturity not exceeding two years from the date of acquisition by the Bank;

(d) buy and sell securities issued or guaranteed by the Dominion of Canada or any province, having a maturity exceeding two years from the date of acquisition by the Bank but the Bank shall at no time hold such securities (exclusive of securities transferred to the Bank under paragraph *(c)* of subsection three of section twenty-five) *of a par value* in excess of *three times* the amount of the paid-up capital of the Bank;

(e) buy and sell short term securities issed by the United Kingdom, any British Dominion, the United States of America, or France, having a maturity not exceeding six months from the date of acquisition by the Bank;

(f) buy and sell securities issued by the United Kingdom or the United States of America, having a maturity exceeding six months from the date of acquisition by the Bank, but the Bank shall at no time hold such securities in excess of one-half of the amount of the paid up capital of the bank;

20. (1) The words "twelve dollars and fifty cents" are substituted for the words "twenty-five dollars" in this subsection.

21. *(b)* The words in italics are inserted by the Committee.

21. *(d)* The words "of a par value in excess of three times" are substituted for the words "in excess of twice" in this paragraph.

Discounts.

(g) buy and sell or rediscount bills of exchange and promissory notes endorsed by a chartered bank drawn or issued in connection with the production *or* marketing of goods, wares and merchandise as defined in *The Bank Act*, excepting those mentioned in paragraph *(h)* of this subsection, and having a maturity not exceeding *ninety days excluding days of grace, or not exceeding ninety days after sight excluding days of grace*, from the date of acquisition by the Bank;

(h) buy and sell or rediscount bills of exchange and promissory notes endorsed by a chartered bank, drawn or issued in connection with the production or marketing of products of agriculture, the forest, the quarry and mine, or the sea, lakes and rivers, as defined in *The Bank Act*, and having a maturity not exceeding *one hundred and eighty days excluding days of grace* from the date of acquisition by the Bank: Provided that the Bank may by regulation limit to a percentage of its total assets the amount of such paper having a maturity in excess of *ninety days excluding days of grace but not exceeding one hundred and eighty days excluding days of grace*, from the date of acquisition by the Bank;

Loans and advances.

(i) make loans or advances for periods not exceeding *six* months to chartered banks on the pledge or hypothecation of the foregoing classes of securities, bills of exchange or promissory notes, or of Canadian municipal securities, or of gold or silver coin or bullion, or documents of title relating thereto;

(j) make loans or advances *for periods not exceeding six months* to the Dominion government or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranteed by the Dominion of Canada or any province;

(k) make loans to the Dominion Government or the government of any province, but such loans outstanding at any one time shall not, in the case of the Dominion Government, exceed one-third of the estimated revenue of such government for its fiscal year, and shall not in the case of any provincial government exceed one-fourth of such government's estimated revenue for its fiscal year; and such loans shall be repaid before the end of the first quarter after the end of the fiscal year of such government;

Open market operations.

(l) for the purpose of its open market operations, buy and sell in the open market from or to any person, either in or outside of Canada, securities, cable transfers, bankers' acceptances, and bills of exchange of the kinds and maturities defined in, and subject to the limitations, if any, contained in, paragraphs *(b)*, *(c)*, *(d)*, *(e)*, *(g)* and *(h)* of this subsection with or without the endorsement of a chartered bank;

21. *(g)* The words in italics in the 7th and 8th lines of this paragraph are substituted for the words "three months."

21. *(h)* The words in italics in the 7th line of this paragraph are substituted for the words "six months", and the words in italics in the 11th, 12th and 13th lines are substituted for the words "three months but not exceeding six months".

21. *(i)* The word "six" in the second line is substituted for the word "three".

21. *(j)* The words in italics are inserted by the Committee.

21. *(l)* The words "promissory notes" after the words "bankers' acceptances" in the fourth line are struck out by the Committee.

Deposits.

(m) accept from the Dominion Government or the government of any province or from any chartered bank deposits which shall not bear interest;

(n) open accounts in a central bank in any other country or in the Bank for International Settlements and act as agent, depository or correspondent of such other central banks or the Bank for International Settlements;

Real estate.

(o) acquire by purchase or lease and hold real or immovable property for the actual use and occupation of the Bank in connection with its business and sell and dispose of the same;

(p) do anything ancillary to all or any of the above purposes.

Acquisition of collateral securities.

(2) The Bank may acquire from any chartered bank and hold any warehouse receipt, bill of lading and other security, held by such chartered bank pursuant to the provisions of *The Bank Act*, as collateral security for the repayment of any bill of exchange or promissory note acquired by the Bank under the provisions of the next preceding subsection; and the Bank may exercise every right and remedy in respect of such collateral security as could have been exercised by the chartered bank aforesaid.

Prohibited business.

22. The Bank shall not, except as authorized by this Act,

(a) engage or have a direct interest in any trade or business whatsoever;

(b) purchase its own stock or the shares of any other bank except the Bank for International Settlements or make loans upon the security thereof;

(c) lend or make advances upon the security of any real or immovable property; provided that in the event of any claims of the Bank being in the opinion of the Board endangered, the Bank may secure itself on any real property of the debtor or any other person liable and may acquire such property, which shall, however, be resold as soon as practicable thereafter;

(d) make loans or advances without security;

(e) accept deposits for a fixed term or pay interest on any moneys deposited with the Bank;

(f) allow the renewal of maturing bills of exchange, promissory notes or other similar documents purchased or discounted by or pledged to the Bank; provided that the Board may make regulations authorizing in special circumstances not more than one renewal of any such bill of exchange, promissory note or other document.

Fiscal agent of Dominion Government and of provinces.

23. (1) The Bank shall act as fiscal agent of the Government of Canada without charge and, subject to the provisions of this Act, by agreement, may also act as banker or fiscal agent of the government of any province.

To manage public debt.

(2) The Bank, if and when required by the Minister so to do, shall act as agent for the Government of Canada in the payment of interest and principal and generally in respect of the management of the public debt of Canada.

Dominion Government cheques to be paid at par.

(3) The Bank shall not make any charge for cashing any cheque drawn on the Receiver General or on his account or for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund or upon any cheque drawn in favour of the Government of Canada or any department thereof and tendered for deposit in the Consolidated Revenue Fund.

NOTE ISSUE.

Sole right of note issue.

24. (1) On and after the day on which the Bank is authorized to commence business the Bank shall, except as provided in *The Bank Act*, have the sole right to issue notes payable to bearer on demand and intended for circulation in Canada and may, subject to the provisions of section twenty-six of this Act, issue such notes to any amount. Such notes shall be legal tender, and shall be the first charge upon the assets of the Bank.

Arrangements for issue.

(2) It shall be the duty of the bank to make adequate arrangements for the issue of its notes at its head office and at its branch offices and agencies in Canada, and to supply such notes as required for circulation in Canada.

Denominations.

(3) Notes of the Bank shall be in such denominations as the Governor in Council from time to time determines and shall be signed by two persons nominated by the Board. Facsimiles printed from engravings may be substituted for signatures in the proper handwriting of one or both persons nominated to sign, but if both of the signatures are printed then a distinguishing device and serial number shall be printed on each note after the notes have been delivered by the printer and engraver to the Bank and while in the custody of the officers of the Bank.

Signatures.

Facsimiles.

Form and material.

(4) The form and material of the notes shall be subject to approval by the Minister: *Provided that notes in either the English or the French language shall be available as required.*

No torn or defaced notes.

(5) The Bank shall not re-issue notes which are torn, partially defaced or soiled and provision may be made by the Bank for the disinfection and sterilization of notes before re-issue.

REDEMPTION OF NOTES.

Payment in gold.

25. (1) The Bank shall sell gold to any person who makes demand therefor at the head office of the Bank and tenders the purchase price in legal tender, but only in the form of bars containing approximately four hundred ounces of fine gold.

24. (4) The words in italics are added to this section by the Committee.

Power to suspend.

(2) The Governor in Council, from time to time and for such period as he may deem desirable, may suspend the operation of the next preceding subsection and remove such suspension.

Gold and securities to be turned over to Bank.

(3) On the day on which the Bank is authorized to commence business the Minister shall transfer to the Bank

(a) gold held by the Minister for redemption of Dominion notes;

(b) silver held by the Minister for redemption of Dominion notes valued at the market price of the fine silver content thereof;

(c) securities of the Dominion of Canada bearing interest at three per centum per annum, payable half-yearly and having a maturity not exceeding five years, valued at par;

to the amount of Dominion notes outstanding on that day, except notes issued under the authority of the Finance Act.

Redemption of outstanding notes.

(4) On and after the day on which the Bank is authorized to commence business the Bank shall be responsible for the redemption of all Dominion notes then issued and outstanding and such notes shall be and continue to be legal tender.

Repayment of advances under Finance Act.

(5) On the day on which the Bank is authorized to commence business, the chartered banks shall repay all advances then outstanding under the *Finance Act.*

Power to issue securities 1931, c. 27.

(6) The Minister, for the purposes of paragraph *(c)* of subsection three of this section, is authorized to issue securities under the provisions of *The Consolidated Revenue and Audit Act, 1931*, and payment of the principal of and interest on such securities shall be made out of the Consolidated Revenue Fund.

RESERVES.

Reserve.

26. (1) The Bank shall always maintain a reserve, as hereinafter provided, as security against its outstanding notes and deposit liabilities.

"Reserve" defined.

(2) The reserve required by this section to be maintained shall *consist of* gold coin and bullion in the unrestricted ownership of the Bank *equal* to *an* amount *not less than* twenty-five per centum of the notes and deposit liabilities aforesaid; *and may in addition include*

(a) silver bullion received from the Minister under the next preceding section or purchased under the authority of subsection four hereof, valued at the market price of the fine silver content thereof; and

(b) foreign exchange, which shall mean

(i) balances with the Bank of England, the Bank for International Settlements, *the Federal Reserve Bank of New York*, and a central bank in any country whose currency by law and in fact is convertible on demand at a fixed price into exportable gold;

26. (2) This part of the subsection previously read as follows:—

"(2) The reserve required by this section to be maintained shall comprise

(a) gold coin and bullion in the unrestricted ownership of the Bank to the amount of twenty-five per centum of the notes and deposit liabilities aforesaid;

(b) silver bullion received from the Minister under the next preceding section or purchased under the authority of subsection four hereof, valued at the market price of the fine silver content thereof; and

(c) foreign exchange, which shall mean

(i) Balances with the Bank of England, the Bank for International Settlements, banks in the city of New York approved by the Board and a central bank in any country whose currency by law and in fact is convertible on demand at a fixed price into exportable gold;"

(ii) Treasury bills or other obligations of the United Kingdom or the United States of America having a maturity not exceeding three months from the date of acquisition by the Bank;

(iii) Bills of exchange having a maturity not exceeding *ninety days excluding days of grace, or not exceeding ninety days after sight excluding days of grace* from the date of acquisition by the Bank payable in London or New York or in a country whose currency by law and in fact is convertible on demand at a fixed price into exportable gold,

less any liabilities of the Bank payable in the currency of the United Kingdom, the United States of America, or any country, whose currency is by law and in fact convertible on demand at a fixed price into exportable gold.

Power to suspend subsection one.

(3) At the request in writing of the Board, the Governor in Council may suspend the operation of this section insofar as it requires the Bank to maintain a reserve of gold *equal to an amount not less than* twenty-five per centum of its notes and *deposit* liabilities. Such suspension shall be for such period not exceeding sixty days as may be specified by the Governor in Council, but on the further request in writing of the Board may be extended from time to time for further periods not exceeding sixty days each, provided, however, that no such suspension shall continue for a period longer than one year without the sanction of Parliament.

(4) The Bank shall during the years 1935, 1936 and 1937 purchase and hold newly-mined Canadian silver as and when required so to do by the Minister but the Bank shall never be required to purchase more than 1,671,802 fine ounces in any year.

RESERVE OF CHARTERED BANKS.

Reserve to be maintained by chartered banks.

27. (1) Every chartered bank shall on and after the day on which the Bank is authorized to commence business maintain a *reserve of not less than* five per centum of its deposit liabilities within Canada *and such reserve shall consist of a deposit with the Bank and of notes of the Bank held by such bank.*

Returns.

(2) For the purposes of this section, every chartered bank shall make a return to the Bank to be signed by the chief accountant or acting chief accountant and by the general manager or acting general manager of such bank, showing the amount of its deposit liabilities within Canada and also the amount of its deposit with the Bank and the amount of the notes of the Bank held by such bank, at the end of each juridical day of the month last preceding the date of the return, and showing for the month the daily average amount of such deposit liabilities and of its deposit with the Bank

26. (2) (iii). The words in italics are substituted for the words "three months".

The word "foreign" before the word "country" in the fourteenth line of this page is struck out by the Committee.

26. (3) The words in italics in the 3rd and 4th lines are substituted for the words "to the amount of". The word "deposit" in the 5th line is inserted by the Committee.

27. (1) This subsection previously read:—

"**26.** (1) Every chartered bank shall on and after the day when the Bank is authorized to commence business, maintain deposits with the Bank which shall always be equal to five per centum of its deposit liabilities within Canada."

27. (2) This subsection is new.

and of the notes of the Bank held by such bank. Such return shall be delivered or transmitted to the Bank at the same time as the return to the Minister, pursuant to section one hundred and twelve of *The Bank Act*, is transmitted or delivered.

Basis of amount of reserve.

(3) The daily average amount of deposit liabilities within Canada for each chartered bank shall be the basis of determining the amount of the reserve to be maintained by such bank during the month next following the month in which such return was made.

Penalty.

(4) If any chartered bank knowingly makes default in complying with the requirements of this section, it shall be liable to a penalty at the rate of ten per centum per annum of the amount of deficiency for each day on which there is a deficiency in the amount of the *reserve maintained by the chartered bank*, and such penalty shall be payable to the Bank and recoverable by it by civil action.

Inspection.

(5) For the purpose of this section the Bank may authorize the Inspector General of Banks or one of its own officers to make an inspection of the books, accounts and documents of any chartered bank, and the chartered bank shall give the Inspector General or such officer access to the books, accounts and documents of the bank for such purpose, and if the Inspector General or officer is obstructed or delayed in making an inspection the chartered bank shall be guilty of an offence and liable on summary conviction to a fine of one hundred dollars for each and every day during which the obstruction or delay continues.

Government guarantee.

(6) In the event of the property and assets of the Bank being insufficient to pay its debts and liabilities, and if the Bank suspends payment of any of its liabilities, the deposit made hereunder by every chartered bank is hereby guaranteed, and the Governor in Council, on the recommendation of the Minister of Finance, shall authorize payment out of the Consolidated Revenue Fund of such moneys as may be necessary to implement such guarantee.

SURRENDER OF GOLD.

Chartered banks to deliver gold held.

28. (1) Every chartered bank shall, on the day on which the Bank is authorized to commence business, transfer to the Bank all gold coin or bullion owned and held by it in Canada.

Power to enforce this requirement.

(2) The Governor in Council may from time to time thereafter require every chartered bank or every other person to transfer to the Bank any or all gold coin or bullion held in Canada which is owned by such chartered bank or by such other person; and the Governor in Council may authorize all measures deemed necessary or expedient to enforce any such transfer and to impose and recover penalties in respect of any neglect or refusal to make any transfer so required.

27. (3) This subsection is new.

27. (4) The words in italics are substituted for the words "deposit maintained by it with the Bank".

27. (6) This subsection is substituted for subsection (4) of section 26 of the Bill. It previously read as follows:—

"(4) The Governor in Council is hereby authorized to guarantee that in the event of suspension of payments by the Bank the deposits made hereunder by every chartered bank to the extent of five per centum of its deposit liabilities within Canada will be repaid, and the guarantee may be in such form and on such terms and conditions as the Governor in Council may determine."

VALUATION OF GOLD.

Valuation of gold.

29. Whenever gold is sold by, transferred to, held as reserve by, or deposited with the Bank pursuant to subsections one or three of section twenty-five, section twenty-six, or section twenty-eight of this Act, the value of the said gold shall be computed on the basis established by the *Currency Act* at the date of the relevant transaction.

Disposition of profits from sales.

30. Any profits resulting from the sale by the Bank of gold coin and bullion transferred to the Bank pursuant to subsection three of section twenty-five, or section twenty-eight of this Act, or from an increase in the value of such gold resulting from any change in the monetary standard of Canada shall be paid by the Bank to the Receiver General for the Consolidated Revenue Fund: Provided, however, that the aforesaid provisions of this section shall not apply in the case of gold transferred under subsection one of section twenty-eight, if the Governor in Council is satisfied that the said gold was at the time of the transfer being held by a chartered bank against liabilities elsewhere than in Canada, and in such case the said profit shall belong to the chartered bank.

PROFITS OF THE BANK.

Application of profits.

31. The Bank shall establish a rest fund and after making such provision as the Board thinks proper for bad and doubtful debts, depreciation in assets, pension funds and all such matters as are properly provided for by banks and after deducting an amount equal to *four and one-half* per centum of the paid-up capital which may be utilized for the payment of cumulative dividends at a rate of *four and one-half* per centum per annum, payable half-yearly, the ascertained surplus available from the operations of the Bank during each financial year shall be applied by the Board as follows:

(a) If the rest fund of the Bank is less than the paid-up capital, one-third of such surplus shall be allocated to the rest fund and the residue shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund;

(b) If the rest fund is not less than the paid-up capital but is less than twice the paid-up capital, one-tenth of such surplus shall be allocated to the rest fund and the residue shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund;

(c) If the rest fund is not less than twice the paid-up capital, the whole of such surplus shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund.

31. The words in italics are substituted for the word "six" in both cases.

AUDIT.

Appointment of first auditors.

32. (1) For the purpose of auditing the affairs of the Bank, the Minister shall appoint two auditors, eligible to be appointed as auditors of a chartered bank, who shall continue to act as auditors until the first annual general meeting.

Annual appointment.

(2) The shareholders at each annual general meeting shall appoint two auditors, eligible to be appointed as auditors of a chartered bank, but no person shall be eligible for appointment if he or any member of his firm has been auditor for two successive years during the three next preceding years.

Vacancies.

(3) If any vacancy occurs in the office of auditor of the Bank, notice thereof shall forthwith be given by the Bank to the Minister, who thereupon shall appoint some other auditor eligible to be appointed as an auditor of a chartered bank to serve until the next annual general meeting.

Persons who may not act.

(4) No director or officer of the Bank and no member of a firm of auditors of which a director is a member shall be eligible for appointment as an auditor.

Reports to Minister.

(5) The Minister may from time to time require the auditors to report to him upon the adequacy of the procedure adopted by the Bank for the protection of its creditors or shareholders and as to the sufficiency of their own procedure in auditing the affairs of the Bank; and the Minister may, at his discretion, enlarge or extend the scope of the audit, or direct that any other procedure be established or that any other examination be made by the auditors or by the Inspector-General of Banks as the public interest may seem to require.

Copies of reports to be sent to Minister.

(6) A copy of every report made by the auditors to the Bank under this section shall be transmitted to the Minister by the auditors at the same time as such report is transmitted to the Bank.

RETURNS.

Weekly statement of assets and liabilities.

33. (1) The Bank shall as soon as practicable after the close of business on Wednesday of each week, make up and transmit to the Minister in the form of Schedule C to this Act a statement of its assets and liabilities as at the close of business on that day.

Publication.

(2) A copy of every such statement shall be published in the next succeeding issue of the *Canada Gazette*.

Weekly statement of note circulation.

(3) The Bank shall also as soon as practicable after the close of business on Wednesday of each week, make up and transmit to the Minister a statement of the amount of its notes in circulation on each business day during the preceding seven day period.

Monthly statement of assets and liabilities.

(4) The Bank shall on or before the seventh day of each month make up and transmit to the Minister in the form of Schedule C to this Act a statement of its assets and liabilities on the last business day of the preceding month.

Declarations.

(5) Every return required under the last preceding subsection shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule C to this Act, and shall be signed by the Chief Accountant or by the Acting Chief Accountant, and by the Governor or the person then acting as Governor, and by the Deputy Governor or the Assistant Deputy Governor or other principal officer next in authority to the Assistant Deputy Governor at the time at which the declaration is signed.

Powers to amend.

(6) The Governor in Council may from time to time, as he deems necessary, amend the form of Schedule C to this Act.

Fiscal year.

34. (1) The fiscal year of the Bank shall be the calendar year.

Yearly statement of accounts.

(2) Within *six weeks* after the end of each fiscal year, the Bank shall transmit to the Minister a statement of its accounts for the fiscal year, signed by the Governor, the Deputy Governor and the Chief Accountant of the Bank and certified by the Auditors, in the form prescribed by the by-laws of the Bank.

Laid before Parliament.

(3) A copy of the accounts so signed and certified shall be forthwith published in the *Canada Gazette*, and if Parliament is then sitting, shall within fourteen days after the receipt thereof by the Minister be laid before Parliament, or if Parliament is not sitting, it shall be laid before Parliament within fourteen days after the commencement of the next ensuing session thereof.

Annual list of shareholders.

35. The Bank shall within sixty days after the end of each fiscal year transmit to the Minister a list of the names, addresses and descriptions of the shareholders of the Bank at the end of the year, and of the number of shares then held by each shareholder. Such list shall, if Parliament is then sitting, be laid before Parliament by the Minister within fourteen days after the receipt thereof, or if Parliament is not sitting, it shall be laid before Parliament within fourteen days after the commencement of the next ensuing session thereof.

MEETINGS.

Annual meeting.

36. (1) The annual general meeting of shareholders shall be held on the last Tuesday of *February* in each year at the head office of the Bank.

34. (2) The words "six weeks" in italics are substituted for the words "three months".

36. (1) The word "February" is inserted in place of "March."

Special meeting.

(2) A special general meeting of the shareholders may be called at any time by the Board and shall be called by the Board whenever a request for such meeting is made in writing by not less than *one hundred* shareholders, holding not less than *one thousand* shares.

Voting.

(3) Every shareholder shall have one vote for each share registered in his name for at least three months before the date of the meeting, *but no person, other than the Minister, shall vote for more than fifty shares.*

Ballots.

(4) The voting of the shareholders shall be by ballot.

Proxies.

No person shall vote by proxy except that any shareholder may give to the Minister, in writing by registered post, instructions as to the manner in which he desires to vote on any business of the meeting. In any such case the Minister shall inform the scrutineers appointed at the meeting of the instructions so received and the scrutineers shall record the vote of each such shareholder in accordance with the instructions so given.

Notice of meeting and of business thereat.

(5) Notice of every general meeting of shareholders shall be given to every shareholder in writing, and such notice shall be accompanied by notice of all business to be transacted at such meeting, including the names if any of persons nominated as directors, and no person shall be eligible to be elected as a director unless notice of his nomination has been so given.

OFFENCES AND PENALTIES.

Holding office when ineligible.

37. Every person who holds office or continues to hold office as a Governor, Deputy Governor, Assistant Deputy Governor or director of the Bank, knowing that he is not eligible for such office, shall be guilty of an indictable offence and liable to imprisonment for not more than three years and not less than three months.

Verifying false statement, account or list.

38. Every director, officer or auditor of the Bank who verifies any statement, account or list required to be furnished to the Minister pursuant to the provisions of this Act, or who has to do with the delivering or transmitting of the same to the Minister, knowing the same to be false in any material particular, shall be guilty of an indictable offence and liable to imprisonment for not more than five years and not less than six months.

Transmitting any false statement.

39. Any officer of a chartered bank who transmits any statement to the Minister pursuant to the provisions of this Act or who has to do with preparing or transmitting the same to the Minister knowing the same to be false in any material particular, shall be guilty of an indictable offence and liable to imprisonment for not more than two years and not less than three months.

36. (2) and (3). These subsections previously read as follows:—

"(2) A special general meeting of the shareholders may be called at any time by the Board and shall be called by the Board whenever a request for such meeting is made in writing by not less than twenty-five shareholders, holding not less than five hundred shares.

(3) Every shareholder shall have one vote for each share registered in his name for at least three months before the date of the meeting."

Contravention of Act.

40. Any officer of the Bank or any officer of a chartered bank or any other person who fails or omits to comply with any provision of this Act shall be guilty of an offence and, unless otherwise provided by this Act, shall be liable on summary conviction to a fine of not less than one hundred dollars and not more than five hundred dollars.

LIQUIDATION OR WINDING UP.

Winding up or insolvency.

41. No statute relating to the insolvency or winding-up of any corporation shall apply to the Bank and in no case shall the affairs of the Bank be wound up unless Parliament so provides; provided, however, that if provision is made for winding up the Bank the notes of the Bank outstanding shall be the first charge upon the assets and in no case shall the shareholders receive any payment in excess of the paid-up capital of the Bank and accrued dividends, if any.

ORGANIZATION EXPENSES.

Payment of expenses of organization.

42. All moneys required to be expended in connection with the organization of the Bank before the day on which the Bank is authorized to commence business not exceeding one hundred thousand dollars, or in connection with the issue of increased capital stock, shall be paid out of any unappropriated moneys in the Consolidated Revenue Fund, and shall be recoverable from the Bank as a debt due to the Crown at any time after the Bank has been authorized to commence business.

BY-LAWS.

By-laws.

43. (1) The Governor in Council shall make by-laws not repugnant to the provisions of this Act with respect to

(a) the keeping of stock books, the recording of subscriptions and the enforcement of payment by subscribers and shareholders of instalments of capital due the Bank from such persons, and generally all questions relating to the obligations of the Bank to the shareholders and of the shareholders to the Bank;

(b) the transfer and transmission of shares;

(c) the declaration and payment of dividends;

(d) the calling of meetings of shareholders and of the Board and of the Executive Committee, and what number of persons shall constitute a quorum in each case, and how questions considered at such meetings shall be determined, and the nomination of directors and auditors, and generally as to the procedure governing such meetings;

(e) the duties and conduct of officers, clerks and employees of the Bank;

(f) the form of the annual statement of accounts;

(g) generally as to the management and disposition of the stock, property and *undertakings* of the Bank.

Amendment or repeal.

(2) The Board may with the approval of the Governor in Council amend or repeal such by-laws or make others with respect to the matters mentioned in subsection one hereof.

Publication.

(3) Every by-law and every amendment or repeal thereof shall take effect when published in the *Canada Gazette*.

43. (1) *(g)*. The word "undertakings" is substituted for the word "affairs."

43. (3) Subsection (3) of the Bill as introduced is struck out by the Committee. It read as follows:—

"(3) Every by-law made hereunder shall have the same force and effect as if enacted in this Act."

43. The last section of the Bill as introduced is struck out by the Committee. It read as follows:—

"**43.** This Act shall come into force on a date to be fixed by proclamation of the Governor in Council."

SCHEDULE A.

Oath of Fidelity and Secrecy.

I, ... do solemnly swear that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as a director *(officer or employee as the case may be)* of the Bank of Canada and which properly relate to any office or position in the said Bank held by me.

I further solemnly swear that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Bank, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Bank and relating to the business of the Bank.

SCHEDULE B.

Statement of General Manager.

January 31st,

To The Honourable the Minister of Finance.

Pursuant to section eighteen of the *Bank of Canada Act*, I have duly inquired whether any shares of the capital stock of the Bank of Canada have at any time during the calendar year ..... been held by or for the benefit of *(name of chartered bank)* contrary to the provisions of the *Bank of Canada Act*, and I have found that no shares were held by or for the benefit of *(name of chartered bank) (or as the case may be)*.

.....

General Manager.

SCHEDULE C

Statement of Assets and Liabilities of Bank of Canada as at , 19 .

LIABILITIES—		ASSETS—	
1. CAPITAL PAID UP		1. RESERVE—	
2. REST FUND		Gold coin and bullion	
3. NOTES IN CIRCULATION		Silver bullion	
4. DEPOSITS—		Reserve in Sterling funds	
(a) Dominion Government		Reserve in U.S. funds	
(b) Provincial Governments		Reserve in funds of other countries on a gold standard	
(c) Chartered banks		Total	
(d) Other		2. SUBSIDIARY COIN	
Total		3. BILLS DISCOUNTED—	
5. LIABILITIES PAYABLE IN STERLING, U.S. AND FOREIGN GOLD CURRENCIES		(a) Commercial Bills	
6. ALL OTHER LIABILITIES		(b) Agricultural Bills, etc	
		(c) Dominion Government Treasury Bills	
		(d) Provincial Government Treasury Bills	
		Total	
		4. LOANS AND ADVANCES—	
		(a) Dominion Government	
		(b) Provincial Governments	
		(c) Chartered Banks	
		Total	
		5. BILLS BOUGHT IN OPEN MARKET	
		6. INVESTMENTS—	
		(a) Dominion Government short-term securities	
		(b) Provincial Government short-term securities	
		(c) Other Dominion Government securities	
		(d) Other Provincial Government securities	
		(e) United Kingdom, other British Dominions or United States long term securities	
		Total	
		7. BANK PREMISES	
		8. ALL OTHER ASSETS	
TOTAL		TOTAL	

Ratio of Net Reserve (Item 1 of Assets less Item 5 of Liabilities) to Notes and Deposit Liabilities : per centum.

I declare that the foregoing return is correct according to the books of the Bank;

E.F.,

Chief Accountant (or acting Chief Accountant as the case may be);

We declare that the foregoing return is to the best of our knowledge and belief correct, and shows truly and clearly the financial position of the Bank, as required by section thirty-three of the Bank of Canada Act.

Place this day of , 19 .

A.B.,

Governor (or person acting as Governor as the case may be);

C.D.,

Deputy Governor (Assistant Deputy Governor or officer next in authority as the case may be).

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 19.

An Act to incorporate the Bank of Canada.

AS PASSED BY THE HOUSE OF COMMONS,
28th JUNE, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
73018 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 19.

An Act to incorporate the Bank of Canada.

Preamble.

WHEREAS it is desirable to establish a central bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of the Dominion: Therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE

Short title.

1. This Act may be cited as the *Bank of Canada Act.*

INTERPRETATION

Definitions.

2. In this Act unless the context otherwise requires:—

"Board of Directors."

(a) "Board of Directors" or "Board" means the Board of Directors of the Bank of Canada;

"Chartered Bank."

(b) "chartered bank" means a bank to which the Bank Act applies;

"Director."

(c) "director" means a member of the Board of Directors other than the Governor or the Deputy Governor;

"Dominion notes."

(d) "Dominion notes" means notes payable to bearer on demand issued and outstanding, which on the day on which the Bank of Canada is authorized to commence business, constitute a direct liability of the Dominion of Canada;

Explanatory Notes.

In this Bill changes proposed by the Committee are indicated by italics where the amendment is brief, and by vertical lines at the side of new paragraphs or sections. Omissions are shown by explanatory notes on the opposite page.

"Meeting." (*e*) "meeting" means a special or general meeting of the shareholders;

"Minister." (*f*) "Minister" means the Minister of Finance;

"Notes." (*g*) "notes" means notes of the Bank of Canada payable to bearer on demand and intended for circulation;

"Receiver General." (*h*) "Receiver General" means the Receiver General of Canada;

"The Bank." (*i*) "the Bank" means the Bank of Canada;

"Treasury Board." (*j*) "Treasury Board" means the Treasury Board as constituted by the Department of Finance and Treasury Board Act.

CONSTITUTION OF THE BANK.

The Bank constituted. **3.** (1) There shall be established a bank to be called the Bank of Canada.

Body corporate. (2) When the capital stock of the Bank has been subscribed as hereinafter provided, the Minister shall give public notice of the fact in the *Canada Gazette* and on the publication of such notice the shareholders shall become a body corporate.

Head Office. **4.** (1) The head office of the Bank shall be in the city of Ottawa.

Branches and agencies. (2) The Bank may establish branches and agencies and appoint agents in Canada and may also, with the approval of the Governor in Council, establish branches and appoint agents elsewhere than in Canada.

Board of directors. **5.** (1) The Bank shall be under the management of a Board of Directors composed of a Governor, a Deputy Governor and seven directors. There may also be an Assistant Deputy Governor.

Deputy Minister to be member of Board. (2) In addition to the Members of the Board as constituted by subsection one of this section, the Deputy Minister of Finance or, in case of his absence or incapacity at any time, such other officer of the Department of Finance as the Minister may nominate for the time being, shall be, by virtue of his office or of such nomination, as the case may be, a member of the Board, but shall not have the right to vote.

Governor and deputy governor. **6.** (1) The Governor and Deputy Governor shall be men of proven banking experience and each shall devote the whole of his time to the duties of his office.

Persons disqualified for appointments. (2) No person shall hold office as Governor or Deputy Governor or Assistant Deputy Governor, who,—

(*a*) is not a British subject; or

(*b*) is a member of either House of Parliament or of a Provincial Legislature; or

5. (2). This subsection is new

(c) is employed in any capacity in the public service of Canada or of any Province of Canada or holds any office or position for which any salary or other remuneration is payable out of public moneys; or

(d) is a director, officer or employee of any other bank or financial institution or has an interest as a shareholder in any bank or other financial institution; or

(e) has reached the age of seventy-five years.

MANAGEMENT.

Powers of Governor of the Bank.

7. (1) The Governor of the Bank shall be the chief executive officer and shall on behalf of the Board have the direction and control of the business of the Bank, with authority to act in connection with the conduct of the business of the Bank in all matters which are not by this Act or by the by-laws of the Bank specifically reserved to be done by the Board or *by the Executive Committee or by* a meeting of shareholders.

Duties of Deputy Governors.

(2) The Deputy Governor and the Assistant Deputy Governor shall perform such duties as are assigned by the Board.

Absence or incapacity of Governor.

(3) In the event of absence or incapacity of the Governor from whatever cause arising, the Deputy Governor shall have and may exercise all the powers and functions of the Governor.

Absence or incapacity of Governor and deputy governor.

(4) In the event of absence or incapacity of both the Governor and the Deputy Governor, the Board of Directors shall authorize the Assistant Deputy Governor or one of the members of the Board to act as the Governor for the time being, but no such person shall have authority to act as Governor for a period exceeding one month without the approval of the Governor in Council.

Tenure of office.

8. (1) The Governor, Deputy Governor and Assistant Deputy Governor shall each be appointed as hereinafter provided for a term of seven years or, in the case of the first Governor, Deputy Governor and Assistant Deputy Governor, for such shorter period as the Governor in Council may determine.

Appointment of first Governor, deputy and assistant.

(2) The first Governor, Deputy Governor and Assistant Deputy Governor shall be appointed and their salaries shall be fixed by the Governor in Council and thereafter appointments shall be made by the directors with the approval of the Governor in Council.

Salaries.

(3) Except as provided in the next preceding subsection the Governor, Deputy Governor and Assistant Deputy Governor shall receive such salaries as the directors from time to time determine, but no such remuneration shall be in the form of a commission or be computed by reference to the income or profits of the Bank.

6. *(d)* This paragraph is amended by omitting the word "chartered" before the word "bank" in the third line.

(e) This paragraph is new.

8. (1) This subsection previously read:—

"**8.** (1) The Governor, Deputy Governor and Assistant Deputy Governor shall hold office for seven years and shall be appointed as hereinafter provided."

Re-appointment.

(4) The Governor, the Deputy Governor and the Assistant Deputy Governor shall on the expiry of their terms of office be eligible for re-appointment.

Condition of tenure.

(5) The Governor, Deputy Governor and Assistant Deputy Governor shall each hold office for the aforesaid term during good behaviour.

DIRECTORS.

Provisional directors.

9. (1) Notwithstanding anything contained in section ten of this Act, the first, or provisional, directors of the Bank shall be the following members of the Civil Service of Canada, namely, The Deputy Minister of Finance; The Counsellor of the Department of External Affairs; The Comptroller, Government Guarantee Branch; The Comptroller of the Treasury; The Comptroller of Currency; The Director of Estimates and Assistant Secretary to the Treasury Board, and The Solicitor to the Treasury, who shall remain in office until replaced by directors duly elected in their stead at the first general meeting of shareholders. The said first or provisional directors shall serve without remuneration.

Remain in office until directors are elected.

Term of office of elected directors.

(2) At the first general meeting of shareholders aforesaid, directors shall be elected for terms to run as follows: one until the third annual general meeting, two until the fourth annual general meeting, two until the fifth annual general meeting and two until the sixth annual general meeting respectively.

Election of directors.

(3) Thereafter directors shall be elected by the shareholders at annual general meetings and shall hold office for terms of five years.

Vacancies.

(4) In the event of a vacancy amongst the directors the Board shall appoint a qualified person to hold office until the next annual general meeting, when the shareholders shall elect a person to fill the vacancy, for the remainder of the term.

Re-appointment.

(5) The directors shall on the expiry of their terms of office be eligible for re-appointment.

Qualification.

10. (1) No person except a shareholder who is the registered owner of ten shares of the capital stock and who has paid all calls thereon shall be elected or shall continue to hold office as a director.

Directors to represent diversified occupations.

(2) The directors shall be selected from diversified occupations, but no person shall be eligible to be a director who is a director, officer or employee of a chartered bank.

Persons disqualified to be directors.

(3) No person shall be elected or shall continue to hold office as a director, who—

(a) is not a British subject ordinarily resident in Canada; or

8. (5) This subsection is new.

9. (1) This subsection previously read:—

"**9.** (1) The first directors shall be appointed by the Governor in Council for terms to run from the date of the appointment as follows: one until the third annual general meeting, two until the fourth annual general meeting, two until the fifth annual general meeting and two until the sixth annual general meeting respectively."

9. (2) This subsection is new.

10. (1) This subsection previously read:—

"**10.** (1) No person except a shareholder qualified to vote at a meeting or, in the case of the first directors, a person who has subscribed for not less than ten shares of the capital stock shall be appointed or elected or shall continue to hold office as a director."

(3) The words "appointed or" before the word "elected" in the first line, are struck out.

(*b*) is employed in any capacity in the public service of Canada or of any Province of Canada or holds any office or position for which any salary or other remuneration is payable out of public moneys; or

(*c*) has reached the age of seventy-five years.

Removal if permanently incapicitated.

(4) If any director, in the opinion of the Board, becomes permanently incapacitated, he may be removed from office by resolution of the Board approved by the Governor in Council.

Fees of directors.

11. The directors shall be entitled to receive for attendance at directors' meetings and executive committee meetings, such fees as may be fixed by the Board and approved at a general meeting, but the aggregate amount of the fees paid to all directors, exclusive of expenses, shall not exceed twenty thousand dollars in any year.

Chairman.

12. The *members of the Board* shall select a chairman of the Board from amongst their number.

EXECUTIVE COMMITTEE

Constitution of Executive Committee.

13. (1) There shall be an Executive Committee of the Board, consisting of the Governor, the Deputy Governor and one director *selected by* the Board.

Deputy Minister to be member of executive committee.

(2) In addition to the Members of the Executive Committee as constituted by subsection one of this section, the Deputy Minister of Finance or, in case of his absence or incapacity at any time, such other officer of the Department of Finance as the Minister may nominate for the time being shall be by virtue of his office or of such nomination, as the case may be, a member of the Executive Committee, but shall not have the right to vote.

Powers.

(3) The Executive Committee shall be competent to deal with any matter within the competence of the Board but every decision of the committee shall be submitted to the Board at its next meeting.

Rate of discount and rediscount.

(4) Except when the Board is in session the Executive Committee shall determine the minimum rates at which the Bank is prepared to discount or rediscount bills or to make advances and the Bank shall at all times make public the rates at which it is prepared to discount or rediscount bills or to make advances.

Minutes.

(5) The Executive Committee shall keep full minutes of its proceedings, which shall be submitted to the Board at its next meeting.

All action must be concurred in by Governor or deputy.

14. No action or decision of the Board of Directors, or of the Executive Committee, shall have any effect unless the same is concurred in by the Governor, or in his absence or incapacity, by the Deputy Governor.

10. (3) Paragraph *(b)* of this subsection as it appears in the Bill introduced is struck out. It reads:—

(b) is a member of either House of Parliament or of a Provincial Legislature; or"

Paragraph *(c)* is new.

12. The words "members of the Board" are substituted for the word "directors".

13. (1) The words "selected by" in the third line are substituted for the words "acting by direction of".

13. (4) This subsection previously read:—

"(3) The Executive Committee shall determine the minimum rates at which the Bank is prepared to discount or rediscount bills or to make advances and shall at all times make public such rates."

14. This section is new.

BANK STAFF.

Officers and employees.

15. (1) Such other officers, clerks and employees may be employed as in the opinion of the Executive Committee may be necessary.

Salaries.

(2) In the case of officers, clerks and employees of the Bank who at the date of appointment were officers, clerks or employees of the Civil Service of Canada, the salaries to be paid by the Bank shall be at rates not less than the rates which such persons were receiving in the Civil Service.

Contributor under Superannuation Act may continue payments for one year. Bank to contribute like amount.

(3) Any officer, clerk or employee mentioned in subsection two of this section who was a contributor under the provisions of the *Civil Service Superannuation Act*, chapter twenty-four of the Revised Statutes of Canada, 1927, may continue as a contributor under the provisions of the said Superannuation Act for a period not exceeding one year after the date of his appointment by the Bank, and shall during such period continue his contributions to the Civil Service Superannuation Fund and the Bank shall during the said period contribute to the said Fund a like amount.

Adjustment at end of year, subject to right of election.

Subject to the provisions of subsection four of this section, at the expiration of one year after the date of the appointment by the Bank of any such officer, clerk or employee his benefits under the provisions of the said Superannuation Act shall be calculated and determined as of the date of the expiration of the said year as if he had at that time retired from the Civil Service by reason of abolition of his office, in which case the enjoyment of the said benefits shall be deferred until such time as he leaves the service of the Bank.

Right of election when he becomes contributor to Bank pension fund.

(4) Upon the said officer, clerk or employee becoming a contributor to or participant in any pension scheme which the Bank may establish he may elect either—

Benefits calculated at date of becoming contributor to Bank pension fund.

(i) to have his benefits under the provisions of the said Superannuation Act calculated and determined as at the date of his becoming a contributor to or participant in any pension scheme which the Bank may establish or at the expiration of one year from the date of his appointment as aforesaid, whichever shall first occur, in which case the enjoyment of the said benefits shall be deferred until such time as he leaves the service of the Bank; or

Waiver of rights under Superannuation Act.

(ii) to waive his right to any payment or benefit under the said Superannuation Act and in that case his period of service in the Civil Service shall be counted as service with the Bank for the purposes of the Bank's pension scheme to the extent that such service would have counted under the said Superannuation Act.

Period in Civil Service to be counted.

The Governor in Council and the Bank may enter into

Agreement as to amount to be paid to Bank on assumption of liability.

Payment.

an agreement as to the amount to be paid to the Bank with reference to the assumption by the Bank of liability under its pension scheme with respect to the said period of service in the Civil Service. The Minister may pay the amount agreed upon out of any unappropriated moneys in the Consolidated Revenue Fund, which shall be recorded as a payment from the said Superannuation Fund, and the Bank shall pay the said amount into its Pension Fund.

Regulations.

(5) The Governor in Council may make such regulations as may be deemed necessary to give effect to the provisions of subsections three and four of this section.

Pension fund.

(6) The Board may *by by-law* establish a pension fund for the officers, clerks and employees of the Bank and their dependents, and may contribute to it out of the funds of the Bank, and such pension fund shall be invested in securities in which a trust company may invest under the Trust Companies Act.

Oath of directors and staff.

16. Every director, officer, clerk and employee of the Bank shall before entering upon his duties take before a Justice of the Peace or a Commissioner for taking affidavits, an oath of fidelity and secrecy in the form prescribed in Schedule A to this Act.

CAPITAL AND SHARES.

Capital.

17. (1) The capital of the Bank shall be five million dollars but may be increased from time to time pursuant to a resolution passed *by the Board and ratified* at a meeting of shareholders and approved by the *Parliament of Canada.*

Shares.

(2) The capital shall be divided into shares of *fifty* dollars each, represented by share certificates, which shall be

Public subscription.

offered by the Minister at *not less than* par for public subscription in Canada and shall be allotted by him to persons eligible to hold shares, in such manner as he may in his discretion determine.

Minister may subscribe for shares not taken up.

(3) In the event of any of the shares (whether of the original or any subsequent issue) not being subscribed for by the public within a reasonable period the Minister shall subscribe for such shares, and notwithstanding any other provision of this Act, payment for the same shall be made out of the Consolidated Revenue Fund.

Offered to public.

(4) The Minister shall from time to time offer shares held by him or shares representing any increase of capital for subscription by the public at not less than par, whenever in the opinion of the *Minister* it is desirable to do so.

Payment for shares.

(5) The sum of *twelve dollars and fifty cents*, or such greater amount as the Minister may determine, shall be payable in respect of each share on application, and the balance shall

17. (1) and (2). These subsections previously read:—

"**16.** (1) The capital of the Bank shall be five million dollars but may be increased from time to time pursuant to a resolution passed at a meeting of shareholders and approved by the Governor in Council.

(2) The capital shall be divided into shares of one hundred dollars each, represented by share certificates, which shall be offered by the Minister at par for public subscription in Canada and shall be allotted by him to persons eligible to hold shares, in such manner as he may in his discretion determine."

17. (4) The word "Minister" is substituted for the word "Board" in the last line.

17. (5) The words "twelve dollars and fifty cents" are substituted for the words "twenty-five dollars" in the first line.

be paid in one or more instalments within such period thereafter, not exceeding twelve months, as may be fixed by the Minister.

Shares held by Minister to be registered.

(6) Shares held by the Minister shall be registered in his name and he shall be entitled to vote in respect of such shares.

Limited liability.

(7) The liability of every shareholder shall be limited to the amount for the time being unpaid in respect of shares held by such shareholder.

British subjects only to hold shares.

Fifty shares to any one shareholder.

(8) Shares may be held only by or for the beneficial ownership of British subjects ordinarily resident in Canada, or corporations organized under the laws of the Dominion of Canada or of any province and controlled by British subjects ordinarily resident in Canada but not more than fifty shares shall be held by or for the benefit of any one person other than the Minister.

Registry offices.

(9) The Bank shall open and maintain one or more share registry offices at places to be designated by the Board.

No shares to be held by chartered banks.

18. (1) No shares of the capital stock of the Bank shall be held by or for the benefit of any chartered bank or any director, officer, clerk or employee of any such bank, and no chartered bank shall have any interest, directly or indirectly or through the medium of any officer, clerk, employee or other person, in any share of the Bank.

Statement from general manager.

(2) On the last day of January in each year the General Manager of every chartered bank shall transmit to the Minister a statement in the form of Schedule B to this Act that he has duly inquired and has found that no share of the Bank nor any interest therein is or has been during the preceding year held by or for the chartered bank contrary to the provisions of this section, or as the case may be.

Transfer or disposal of shares held in excess of fifty or by person ineligible.

19. If shares are held by a person not eligible to hold shares or if shares in excess of fifty are held by one person, the Governor shall require the shareholder to transfer or dispose of the shares or the shares in excess of fifty, as the case may be. If a shareholder fails to comply with this requirement within three months, the shares in question shall *ipso facto on the expiration of three months from the mailing at Ottawa by registered mail of such requirement in the form of a notice in writing by the Minister to such shareholder* be forfeited to the Crown and shall be registered in the name of the Minister without further proceedings or formality, and may be sold by the Minister and the proceeds of any such sales shall be deposited in the Consolidated Revenue Fund.

19. The words in italics are inserted by the Committee. There is no other change.

COMMENCEMENT OF BUSINESS.

Certificate to commence business.

20. (1) Whenever the capital stock of the Bank has been subscribed and payment in money made to the amount of *twelve dollars and fifty cents* per share, or such larger amount as the Minister determines, the Minister, when authorized by the Governor in Council, may issue a certificate authorizing the Bank to commence business on a date to be fixed therein.

Permission to commence.

(2) The Bank shall not issue notes or otherwise engage in business until the date fixed in such certificate except to do what is necessary or advisable to enable it to commence business on the said date.

BUSINESS AND POWERS OF THE BANK.

21. (1) The Bank may

Coin and bullion.

(a) buy and sell gold, silver, nickel and bronze coin and gold and silver bullion;

Exchange.

(b) effect transfers of funds by telegram, letter or other method of communication, and buy and sell *transfers effected by such means*, trade acceptances, bankers' acceptances, *bankers' drafts*, and bills of exchange drawn in or on places outside of Canada and having a maturity not exceeding *ninety days excluding days of grace, or not exceeding ninety days after sight excluding days of grace*, from the date of acquisition by the Bank.

Investments.

(c) buy and sell or rediscount short term securities issued or guaranteed by the Dominion of Canada or any province, having a maturity not exceeding two years from the date of acquisition by the Bank;

(d) buy and sell securities issued or guaranteed by the Dominion of Canada or any province, having a maturity exceeding two years from the date of acquisition by the Bank but the Bank shall at no time hold such securities (exclusive of securities transferred to the Bank under paragraph *(c)* of subsection three of section twenty-five) *of a par value* in excess of *three times* the amount of the paid-up capital of the Bank;

(e) buy and sell short term securities issed by the United Kingdom, any British Dominion, the United States of America, or France, having a maturity not exceeding six months from the date of acquisition by the Bank;

(f) buy and sell securities issued by the United Kingdom or the United States of America, having a maturity exceeding six months from the date of acquisition by the Bank, but the Bank shall at no time hold such securities in excess of one-half of the amount of the paid up capital of the bank;

20. (1) The words "twelve dollars and fifty cents" are substituted for the words "twenty-five dollars" in this subsection.

21. *(b)* The words in italics are inserted by the Committee.

21. *(d)* The words "of a par value in excess of three times" are substituted for the words "in excess of twice" in this paragraph.

Discounts.

(g) buy and sell or rediscount bills of exchange and promissory notes endorsed by a chartered bank drawn or issued in connection with the production *or* marketing of goods, wares and merchandise as defined in *The Bank Act*, excepting those mentioned in paragraph *(h)* of this subsection, and having a maturity not exceeding *ninety days excluding days of grace, or not exceeding ninety days after sight excluding days of grace,* from the date of acquisition by the Bank;

(h) buy and sell or rediscount bills of exchange and promissory notes endorsed by a chartered bank, drawn or issued in connection with the production or marketing of products of agriculture, the forest, the quarry and mine, or the sea, lakes and rivers, as defined in *The Bank Act*, and having a maturity not exceeding *one hundred and eighty days excluding days of grace* from the date of acquisition by the Bank: Provided that the Bank may by regulation limit to a percentage of its total assets the amount of such paper having a maturity in excess of *ninety days excluding days of grace but not exceeding one hundred and eighty days excluding days of grace,* from the date of acquisition by the Bank;

Loans and advances.

(i) make loans or advances for periods not exceeding *six* months to chartered banks on the pledge or hypothecation of the foregoing classes of securities, bills of exchange or promissory notes, or of Canadian municipal securities, or of securities issued by a school corporation or parish trustees, or of securities issued pursuant to the statutes of a province making provision for the payment thereof and the interest thereon by the province, or of gold or silver coin or bullion, or documents of title relating thereto;

(j) make loans or advances *for periods not exceeding six months* to the Dominion government or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranteed by the Dominion of Canada or any province;

(k) make loans to the Dominion Government or the government of any province, but such loans outstanding at any one time shall not, in the case of the Dominion Government, exceed one-third of the estimated revenue of such government for its fiscal year, and shall not in the case of any provincial government exceed one-fourth of such government's estimated revenue for its fiscal year; and such loans shall be repaid before the end of the first quarter after the end of the fiscal year of such government;

Open market operations.

(l) for the purpose of its open market operations, buy and sell in the open market from or to any person, either in or outside of Canada, securities, cable transfers, bankers' acceptances, and bills of exchange of the kinds and maturities defined in, and subject to the

21. *(g)* The words in italics in the 7th and 8th lines of this paragraph are substituted for the words "three months."

21. *(h)* The words in italics in the 7th line of this paragraph are substituted for the words "six months", and the words in italics in the 11th, 12th and 13th lines are substituted for the words "three months but not exceeding six months".

21. *(i)* The word "six" in the second line is substituted for the word "three".

21. *(j)* The words in italics are inserted by the Committee.

21. *(l)* The words "promissory notes" after the words "bankers' acceptances" in the fourth line are struck out by the Committee.

limitations, if any, contained in, paragraphs *(b)*, *(c)*, *(d)*, *(e)*, *(g)* and *(h)* of this subsection with or without the endorsement of a chartered bank;

Deposits.

(m) accept from the Dominion Government or the government of any province or from any chartered bank or from any bank incorporated under the Savings Bank Act. Deposits which shall not bear interest;

(n) open accounts in a central bank in any other country or in the Bank for International Settlements and act as agent, depository or correspondent of such other central banks or the Bank for International Settlements;

Real estate.

(o) acquire by purchase or lease and hold real or immovable property for the actual use and occupation of the Bank in connection with its business and sell and dispose of the same;

(p) do anything ancillary to all or any of the above purposes.

Acquisition of collateral securities.

(2) The Bank may acquire from any chartered bank and hold any warehouse receipt, bill of lading and other security, held by such chartered bank pursuant to the provisions of *The Bank Act*, as collateral security for the repayment of any bill of exchange or promissory note acquired by the Bank under the provisions of the next preceding subsection; and the Bank may exercise every right and remedy in respect of such collateral security as could have been exercised by the chartered bank aforesaid.

Prohibited business.

22. The Bank shall not, except as authorized by this Act,

(a) engage or have a direct interest in any trade or business whatsoever;

(b) purchase its own stock or the shares of any other bank except the Bank for International Settlements or make loans upon the security thereof;

(c) lend or make advances upon the security of any real or immovable property; provided that in the event of any claims of the Bank being in the opinion of the Board endangered, the Bank may secure itself on any real property of the debtor or any other person liable and may acquire such property, which shall, however, be resold as soon as practicable thereafter;

(d) make loans or advances without security;

(e) accept deposits for a fixed term or pay interest on any moneys deposited with the Bank;

(f) allow the renewal of maturing bills of exchange, promissory notes or other similar documents purchased or discounted by or pledged to the Bank; provided that the Board may make regulations authorizing in special circumstances not more than one renewal of any such bill of exchange, promissory note or other document.

Fiscal agent of Dominion Government and of provinces.

23. (1) The Bank shall act as fiscal agent of the Government of Canada without charge and, subject to the provisions of this Act, by agreement, may also act as banker or fiscal agent of the government of any province.

21. *(m)* This amendment is made necessary by reason of an amendment to the Quebec Savings Banks Act authorizing the banks operating thereunder to carry deposit accounts with the Bank of Canada.

To manage public debt.

(2) The Bank, if and when required by the Minister so to do, shall act as agent for the Government of Canada in the payment of interest and principal and generally in respect of the management of the public debt of Canada.

Dominion Government cheques to be paid at par.

(3) The Bank shall not make any charge for cashing any cheque drawn on the Receiver General or on his account or for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund or upon any cheque drawn in favour of the Government of Canada or any department thereof and tendered for deposit in the Consolidated Revenue Fund.

NOTE ISSUE.

Sole right of note issue.

24. (1) On and after the day on which the Bank is authorized to commence business the Bank shall, except as provided in *The Bank Act*, have the sole right to issue notes payable to bearer on demand and intended for circulation in Canada and may, subject to the provisions of section twenty-six of this Act, issue such notes to any amount. Such notes shall be legal tender, and shall be the first charge upon the assets of the Bank.

Arrangements for issue.

(2) It shall be the duty of the bank to make adequate arrangements for the issue of its notes at its head office and at its branch offices and agencies in Canada, and to supply such notes as required for circulation in Canada.

Denominations.

(3) Notes of the Bank shall be in such denominations as the Governor in Council from time to time determines and shall be signed by two persons nominated by the Board. Facsimiles printed from engravings may be substituted for signatures in the proper handwriting of one or both persons nominated to sign, but if both of the signatures are printed then a distinguishing device and serial number shall be printed on each note after the notes have been delivered by the printer and engraver to the Bank and while in the custody of the officers of the Bank.

Signatures.

Facsimiles.

Form and material.

(4) The form and material of the notes shall be subject to approval by the Minister: *Provided that notes in either the English or the French language shall be available as required.*

No torn or defaced notes.

(5) The Bank shall not re-issue notes which are torn, partially defaced or soiled and provision may be made by the Bank for the disinfection and sterilization of notes before re-issue.

REDEMPTION OF NOTES.

Payment in gold.

25. (1) The Bank shall sell gold to any person who makes demand therefor at the head office of the Bank and tenders the purchase price in legal tender, but only in the form of bars containing approximately four hundred ounces of fine gold.

24. (4) The words in italics are added to this section by the Committee.

Power to suspend.

(2) The Governor in Council, from time to time and for such period as he may deem desirable, may suspend the operation of the next preceding subsection and remove such suspension.

Gold and securities to be turned over to Bank.

(3) On the day on which the Bank is authorized to commence business the Minister shall transfer to the Bank

(a) gold held by the Minister for redemption of Dominion notes;

(b) silver held by the Minister for redemption of Dominion notes valued at the market price of the fine silver content thereof;

(c) securities of the Dominion of Canada bearing interest at three per centum per annum, payable half-yearly and having a maturity not exceeding five years, valued at par;

to the amount of Dominion notes outstanding on that day, except notes issued under the authority of the *Finance Act.*

Redemption of outstanding notes.

(4) On and after the day on which the Bank is authorized to commence business the Bank shall be responsible for the redemption of all Dominion notes then issued and outstanding and such notes shall be and continue to be legal tender.

Repayment of advances under Finance Act.

(5) On the day on which the Bank is authorized to commence business, the chartered banks shall repay all advances then outstanding under the *Finance Act.*

Power to issue securities 1931, c. 27.

(6) The Minister, for the purposes of paragraph *(c)* of subsection three of this section, is authorized to issue securities under the provisions of *The Consolidated Revenue and Audit Act, 1931*, and payment of the principal of and interest on such securities shall be made out of the Consolidated Revenue Fund.

RESERVES.

Reserve.

26. (1) The Bank shall always maintain a reserve, as hereinafter provided, as security against its outstanding notes and deposit liabilities.

"Reserve" defined.

(2) The reserve required by this section to be maintained shall *consist of* gold coin and bullion in the unrestricted ownership of the Bank *equal* to *an* amount *not less than* twenty-five per centum of the notes and deposit liabilities aforesaid; *and may in addition include*

(a) silver bullion received from the Minister under the next preceding section or purchased under the authority of subsection four hereof, valued at the market price of the fine silver content thereof; and

(b) foreign exchange, which shall mean

(i) balances with the Bank of England, the Bank for International Settlements, *the Federal Reserve Bank of New York*, and a central bank in any country whose currency by law and in fact is convertible on demand at a fixed price into exportable gold;

26. (2) This part of the subsection previously read as follows:—

"(2) The reserve required by this section to be maintained shall comprise

(a) gold coin and bullion in the unrestricted ownership of the Bank to the amount of twenty-five per centum of the notes and deposit liabilities aforesaid;

(b) silver bullion received from the Minister under the next preceding section or purchased under the authority of subsection four hereof, valued at the market price of the fine silver content thereof; and

(c) foreign exchange, which shall mean

(i) Balances with the Bank of England, the Bank for International Settlements, banks in the city of New York approved by the Board and a central bank in any country whose currency by law and in fact is convertible on demand at a fixed price into exportable gold;"

(ii) Treasury bills or other obligations of the United Kingdom or the United States of America having a maturity not exceeding three months from the date of acquisition by the Bank;

(iii) Bills of exchange having a maturity not exceeding *ninety days excluding days of grace, or not exceeding ninety days after sight excluding days of grace* from the date of acquisition by the Bank payable in London or New York or in a country whose currency by law and in fact is convertible on demand at a fixed price into exportable gold,

less any liabilities of the Bank payable in the currency of the United Kingdom, the United States of America, or any country, whose currency is by law and in fact convertible on demand at a fixed price into exportable gold.

Power to suspend subsection one.

(3) At the request in writing of the Board, the Governor in Council may suspend the operation of this section insofar as it requires the Bank to maintain a reserve of gold *equal to an amount not less than* twenty-five per centum of its notes and *deposit* liabilities. Such suspension shall be for such period not exceeding sixty days as may be specified by the Governor in Council, but on the further request in writing of the Board may be extended from time to time for further periods not exceeding sixty days each, provided, however, that no such suspension shall continue for a period longer than one year without the sanction of Parliament.

(4) The Bank shall during the years 1935, 1936 and 1937 purchase and hold newly-mined Canadian silver as and when required so to do by the Minister but the Bank shall never be required to purchase more than 1,671,802 fine ounces in any year.

RESERVE OF CHARTERED BANKS.

Reserve to be maintained by chartered banks.

27. (1) Every chartered bank shall on and after the day on which the Bank is authorized to commence business maintain a *reserve of not less than* five per centum of its deposit liabilities within Canada *and such reserve shall consist of a deposit with the Bank and of notes of the Bank held by such bank.*

Returns.

(2) For the purposes of this section, every chartered bank shall make a return to the Bank to be signed by the chief accountant or acting chief accountant and by the general manager or acting general manager of such bank, showing the amount of its deposit liabilities within Canada and also the amount of its deposit with the Bank and the amount of the notes of the Bank held by such bank, at the end of each juridical day of the month last preceding the date of the return, and showing for the month the daily average amount of such deposit liabilities and of its deposit with the Bank

26. (2) (iii). The words in italics are substituted for the words "three months".

The word "foreign" before the word "country" in the fourteenth line of this page is struck out by the Committee.

26. (3) The words in italics in the 3rd and 4th lines are substituted for the words "to the amount of". The word "deposit" in the 5th line is inserted by the Committee.

27. (1) This subsection previously read:—

"**26.** (1) Every chartered bank shall on and after the day when the Bank is authorized to commence business, maintain deposits with the Bank which shall always be equal to five per centum of its deposit liabilities within Canada."

27. (2) This subsection is new.

and of the notes of the Bank held by such bank. Such return shall be delivered or transmitted to the Bank at the same time as the return to the Minister, pursuant to section one hundred and twelve of *The Bank Act*, is transmitted or delivered.

Basis of amount of reserve.

(3) The daily average amount of deposit liabilities within Canada for each chartered bank shall be the basis of determining the amount of the reserve to be maintained by such bank during the month next following the month in which such return was made.

Penalty.

(4) If any chartered bank knowingly makes default in complying with the requirements of this section, it shall be liable to a penalty at the rate of ten per centum per annum of the amount of deficiency for each day on which there is a deficiency in the amount of the *reserve maintained by the chartered bank*, and such penalty shall be payable to the Bank and recoverable by it by civil action.

Inspection.

(5) For the purpose of this section the Bank may authorize the Inspector General of Banks or one of its own officers to make an inspection of the books, accounts and documents of any chartered bank, and the chartered bank shall give the Inspector General or such officer access to the books, accounts and documents of the bank for such purpose, and if the Inspector General or officer is obstructed or delayed in making an inspection the chartered bank shall be guilty of an offence and liable on summary conviction to a fine of one hundred dollars for each and every day during which the obstruction or delay continues.

Government guarantee.

(6) In the event of the property and assets of the Bank being insufficient to pay its debts and liabilities, and if the Bank suspends payment of any of its liabilities, the deposit made hereunder by every chartered bank is hereby guaranteed, and the Governor in Council, on the recommendation of the Minister of Finance, shall authorize payment out of the Consolidated Revenue Fund of such moneys as may be necessary to implement such guarantee.

SURRENDER OF GOLD.

Chartered banks to deliver gold held.

28. (1) Every chartered bank shall, on the day on which the Bank is authorized to commence business, transfer to the Bank all gold coin or bullion owned and held by it in Canada.

Power to enforce this requirement.

(2) The Governor in Council may from time to time thereafter require every chartered bank or every other person to transfer to the Bank any or all gold coin or bullion held in Canada which is owned by such chartered bank or by such other person; and the Governor in Council may authorize all measures deemed necessary or expedient to enforce any such transfer and to impose and recover penalties in respect of any neglect or refusal to make any transfer so required.

27. (3) This subsection is new.

27. (4) The words in italics are substituted for the words "deposit maintained by it with the Bank".

27. (6) This subsection is substituted for subsection (4) of section 26 of the Bill. It previously read as follows:—

"(4) The Governor in Council is hereby authorized to guarantee that in the event of suspension of payments by the Bank the deposits made hereunder by every chartered bank to the extent of five per centum of its deposit liabilities within Canada will be repaid, and the guarantee may be in such form and on such terms and conditions as the Governor in Council may determine."

VALUATION OF GOLD.

Valuation of gold.

29. Whenever gold is sold by, transferred to, held as reserve by, or deposited with the Bank pursuant to subsections one or three of section twenty-five, section twenty-six, or section twenty-eight of this Act, the value of the said gold shall be computed on the basis established by the *Currency Act* at the date of the relevant transaction.

Disposition of profits from sales.

30. Any profits resulting from the sale by the Bank of gold coin and bullion transferred to the Bank pursuant to subsection three of section twenty-five, or section twenty-eight of this Act, or from an increase in the value of such gold resulting from any change in the monetary standard of Canada shall be paid by the Bank to the Receiver General for the Consolidated Revenue Fund: Provided, however, that the aforesaid provisions of this section shall not apply in the case of gold transferred under subsection one of section twenty-eight, if the Governor in Council is satisfied that the said gold was at the time of the transfer being held by a chartered bank against liabilities elsewhere than in Canada, and in such case the said profit shall belong to the chartered bank.

PROFITS OF THE BANK.

Application of profits.

31. The Bank shall establish a rest fund and after making such provision as the Board thinks proper for bad and doubtful debts, depreciation in assets, pension funds and all such matters as are properly provided for by banks and after deducting an amount equal to *four and one-half* per centum of the paid-up capital which may be utilized for the payment of cumulative dividends at a rate of *four and one-half* per centum per annum, payable half-yearly, the ascertained surplus available from the operations of the Bank during each financial year shall be applied by the Board as follows:

(a) If the rest fund of the Bank is less than the paid-up capital, one-third of such surplus shall be allocated to the rest fund and the residue shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund;

(b) If the rest fund is not less than the paid-up capital but is less than twice the paid-up capital, one-tenth of such surplus shall be allocated to the rest fund and the residue shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund;

(c) If the rest fund is not less than twice the paid-up capital, the whole of such surplus shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund.

31. The words in italics are substituted for the word "six" in both cases.

AUDIT.

Appointment of first auditors.

32. (1) For the purpose of auditing the affairs of the Bank, the Minister shall appoint two auditors, eligible to be appointed as auditors of a chartered bank, who shall continue to act as auditors until the first annual general meeting.

Annual appointment.

(2) The shareholders at each annual general meeting shall appoint two auditors, eligible to be appointed as auditors of a chartered bank, but no person shall be eligible for appointment if he or any member of his firm has been auditor for two successive years during the three next preceding years.

Vacancies.

(3) If any vacancy occurs in the office of auditor of the Bank, notice thereof shall forthwith be given by the Bank to the Minister, who thereupon shall appoint some other auditor eligible to be appointed as an auditor of a chartered bank to serve until the next annual general meeting.

Persons who may not act.

(4) No director or officer of the Bank and no member of a firm of auditors of which a director is a member shall be eligible for appointment as an auditor.

Reports to Minister.

(5) The Minister may from time to time require the auditors to report to him upon the adequacy of the procedure adopted by the Bank for the protection of its creditors or shareholders and as to the sufficiency of their own procedure in auditing the affairs of the Bank; and the Minister may, at his discretion, enlarge or extend the scope of the audit, or direct that any other procedure be established or that any other examination be made by the auditors or by the Inspector-General of Banks as the public interest may seem to require.

Copies of reports to be sent to Minister.

(6) A copy of every report made by the auditors to the Bank under this section shall be transmitted to the Minister by the auditors at the same time as such report is transmitted to the Bank.

RETURNS.

Weekly statement of assets and liabilities.

33. (1) The Bank shall as soon as practicable after the close of business on Wednesday of each week, make up and transmit to the Minister in the form of Schedule C to this Act a statement of its assets and liabilities as at the close of business on that day.

Publication.

(2) A copy of every such statement shall be published in the next succeeding issue of the *Canada Gazette*.

Weekly statement of note circulation.

(3) The Bank shall also as soon as practicable after the close of business on Wednesday of each week, make up and transmit to the Minister a statement of the amount of its notes in circulation on each business day during the preceding seven day period.

Monthly statement of assets and liabilities.

(4) The Bank shall on or before the seventh day of each month make up and transmit to the Minister in the form of Schedule C to this Act a statement of its assets and liabilities on the last business day of the preceding month.

Declarations.

(5) Every return required under the last preceding subsection shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule C to this Act, and shall be signed by the Chief Accountant or by the Acting Chief Accountant, and by the Governor or the person then acting as Governor, and by the Deputy Governor or the Assistant Deputy Governor or other principal officer next in authority to the Assistant Deputy Governor at the time at which the declaration is signed.

Powers to amend.

(6) The Governor in Council may from time to time, as he deems necessary, amend the form of Schedule C to this Act.

Fiscal year.

34. (1) The fiscal year of the Bank shall be the calendar year.

Yearly statement of accounts.

(2) Within *six weeks* after the end of each fiscal year, the Bank shall transmit to the Minister a statement of its accounts for the fiscal year, signed by the Governor, the Deputy Governor and the Chief Accountant of the Bank and certified by the Auditors, in the form prescribed by the by-laws of the Bank.

Laid before Parliament.

(3) A copy of the accounts so signed and certified shall be forthwith published in the *Canada Gazette*, and if Parliament is then sitting, shall within fourteen days after the receipt thereof by the Minister be laid before Parliament, or if Parliament is not sitting, it shall be laid before Parliament within fourteen days after the commencement of the next ensuing session thereof.

Annual list of shareholders.

35. The Bank shall within sixty days after the end of each fiscal year transmit to the Minister a list of the names, addresses and descriptions of the shareholders of the Bank at the end of the year, and of the number of shares then held by each shareholder. Such list shall, if Parliament is then sitting, be laid before Parliament by the Minister within fourteen days after the receipt thereof, or if Parliament is not sitting, it shall be laid before Parliament within fourteen days after the commencement of the next ensuing session thereof.

MEETINGS.

Annual meeting.

36. (1) The annual general meeting of shareholders shall be held on the last Tuesday of *February* in each year at the head office of the Bank.

34. (2) The words "six weeks" in italics are substituted for the words "three months".

36. (1) The word "February" is inserted in place of "March."

Special meeting.

(2) A special general meeting of the shareholders may be called at any time by the Board and shall be called by the Board whenever a request for such meeting is made in writing by not less than *one hundred* shareholders, holding not less than *one thousand* shares.

Voting.

(3) Every shareholder shall have one vote for each share registered in his name for at least three months before the date of the meeting, *but no person, other than the Minister, shall vote for more than fifty shares.*

Ballots.

(4) The voting of the shareholders shall be by ballot.

Proxies.

No person shall vote by proxy except that any shareholder may give to the Minister, in writing by registered post, instructions as to the manner in which he desires to vote on any business of the meeting. In any such case the Minister shall inform the scrutineers appointed at the meeting of the instructions so received and the scrutineers shall record the vote of each such shareholder in accordance with the instructions so given.

Notice of meeting and of business thereat.

(5) Notice of every general meeting of shareholders shall be given to every shareholder in writing, and such notice shall be accompanied by notice of all business to be transacted at such meeting, including the names if any of persons nominated as directors, and no person shall be eligible to be elected as a director unless notice of his nomination has been so given.

OFFENCES AND PENALTIES.

Holding office when ineligible.

37. Every person who holds office or continues to hold office as a Governor, Deputy Governor, Assistant Deputy Governor or director of the Bank, knowing that he is not eligible for such office, shall be guilty of an indictable offence and liable to imprisonment for not more than three years and not less than three months.

Verifying false statement, account or list.

38. Every director, officer or auditor of the Bank who verifies any statement, account or list required to be furnished to the Minister pursuant to the provisions of this Act, or who has to do with the delivering or transmitting of the same to the Minister, knowing the same to be false in any material particular, shall be guilty of an indictable offence and liable to imprisonment for not more than five years and not less than six months.

Transmitting any false statement.

39. Any officer of a chartered bank who transmits any statement to the Minister pursuant to the provisions of this Act or who has to do with preparing or transmitting the same to the Minister knowing the same to be false in any material particular, shall be guilty of an indictable offence and liable to imprisonment for not more than two years and not less than three months.

36. (2) and (3). These subsections previously read as follows:—

"(2) A special general meeting of the shareholders may be called at any time by the Board and shall be called by the Board whenever a request for such meeting is made in writing by not less than twenty-five shareholders, holding not less than five hundred shares.

(3) Every shareholder shall have one vote for each share registered in his name for at least three months before the date of the meeting."

Contravention of Act.

40. Any officer of the Bank or any officer of a chartered bank or any other person who fails or omits to comply with any provision of this Act shall be guilty of an offence and, unless otherwise provided by this Act, shall be liable on summary conviction to a fine of not less than one hundred dollars and not more than five hundred dollars.

LIQUIDATION OR WINDING UP.

Winding up or insolvency.

41. No statute relating to the insolvency or winding-up of any corporation shall apply to the Bank and in no case shall the affairs of the Bank be wound up unless Parliament so provides; provided, however, that if provision is made for winding up the Bank the notes of the Bank outstanding shall be the first charge upon the assets and in no case shall the shareholders receive any payment in excess of the paid-up capital of the Bank and accrued dividends, if any.

ORGANIZATION EXPENSES.

Payment of expenses of organization.

42. All moneys required to be expended in connection with the organization of the Bank before the day on which the Bank is authorized to commence business not exceeding one hundred thousand dollars, or in connection with the issue of increased capital stock, shall be paid out of any unappropriated moneys in the Consolidated Revenue Fund, and shall be recoverable from the Bank as a debt due to the Crown at any time after the Bank has been authorized to commence business.

BY-LAWS.

By-laws.

43. (1) The Governor in Council shall make by-laws not repugnant to the provisions of this Act with respect to

(a) the keeping of stock books, the recording of subscriptions and the enforcement of payment by subscribers and shareholders of instalments of capital due the Bank from such persons, and generally all questions relating to the obligations of the Bank to the shareholders and of the shareholders to the Bank;

(b) the transfer and transmission of shares;

(c) the declaration and payment of dividends;

(d) the calling of meetings of shareholders and of the Board and of the Executive Committee, and what number of persons shall constitute a quorum in each case, and how questions considered at such meetings shall be determined, and the nomination of directors and auditors, and generally as to the procedure governing such meetings;

(e) the duties and conduct of officers, clerks and employees of the Bank;

(f) the form of the annual statement of accounts;

(g) generally as to the management and disposition of the stock, property and *undertakings* of the Bank.

Amendment or repeal.

(2) The Board may with the approval of the Governor in Council amend or repeal such by-laws or make others with respect to the matters mentioned in subsection one hereof.

Publication.

(3) Every by-law and every amendment or repeal thereof shall take effect when published in the *Canada Gazette*.

43. (1) *(g)*. The word "undertakings" is substituted for the word "affairs."

43. (3) Subsection (3) of the Bill as introduced is struck out by the Committee. It read as follows:—

"(3) Every by-law made hereunder shall have the same force and effect as if enacted in this Act."

43. The last section of the Bill as introduced is struck out by the Committee. It read as follows:—

"**43.** This Act shall come into force on a date to be fixed by proclamation of the Governor in Council."

SCHEDULE A.

Oath of Fidelity and Secrecy.

I, ... do solemnly swear that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as a director *(officer or employee as the case may be)* of the Bank of Canada and which properly relate to any office or position in the said Bank held by me.

I further solemnly swear that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Bank, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Bank and relating to the business of the Bank.

SCHEDULE B.

Statement of General Manager.

January 31st,

To The Honourable the Minister of Finance.

Pursuant to section eighteen of the *Bank of Canada Act*, I have duly inquired whether any shares of the capital stock of the Bank of Canada have at any time during the calendar year ..... been held by or for the benefit of *(name of chartered bank)* contrary to the provisions of the *Bank of Canada Act*, and I have found that no shares were held by or for the benefit of *(name of chartered bank) (or as the case may be)*.

.....

General Manager.

SCHEDULE C

Statement of Assets and Liabilities of Bank of Canada as at , 19 .

LIABILITIES—		ASSETS—	
1. CAPITAL PAID UP		1. RESERVE—	
		Gold coin and bullion	
		Silver bullion	
		Reserve in Sterling funds	
		Reserve in U.S. funds	
		Reserve in funds of other countries on a gold standard	
		Total	
2. REST FUND		2. SUBSIDIARY COIN	
3. NOTES IN CIRCULATION		3. BILLS DISCOUNTED—	
		(a) Commercial Bills	
		(b) Agricultural Bills, etc	
		(c) Dominion Government Treasury Bills	
		(d) Provincial Government Treasury Bills	
		Total	
4. DEPOSITS—		4. LOANS AND ADVANCES—	
(a) Dominion Government		(a) Dominion Government	
(b) Provincial Governments		(b) Provincial Governments	
(c) Chartered banks		(c) Chartered Banks	
(d) Other		Total	
Total		5. BILLS BOUGHT IN OPEN MARKET	
5. LIABILITIES PAYABLE IN STERLING, U.S. AND FOREIGN GOLD CURRENCIES		6. INVESTMENTS—	
		(a) Dominion Government short-term securities	
		(b) Provincial Government short-term securities	
		(c) Other Dominion Government securities	
		(d) Other Provincial Government securities	
		(e) United Kingdom, other British Dominions or United States long term securities	
6. ALL OTHER LIABILITIES		Total	
		7. BANK PREMISES	
		8. ALL OTHER ASSETS	
TOTAL		TOTAL	

Ratio of Net Reserve (Item 1 of Assets less Item 5 of Liabilities) to Notes and Deposit Liabilities : per centum.

I declare that the foregoing return is correct according to the books of the Bank;

E.F.,

Chief Accountant (or acting Chief Accountant as the case may be);

We declare that the foregoing return is to the best of our knowledge and belief correct, and shows truly and clearly the financial position of the Bank, as required by section thirty-three of the Bank of Canada Act.

Place this day of , 19 .

A.B.,

Governor (or person acting as Governor as the case may be);

C.D.,

Deputy Governor (Assistant Deputy Governor or officer next in authority as the case may be).

B I L L 20

IMMIGRATION ACT (DEFINITION OF PUBLIC CHARGE)

(Mr. Woodsworth)

was defeated

on First Reading.

21.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 21.

An Act to amend the Railway Act (Rates on grain).

First reading, February 27, 1934.

Mr. REID.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74220 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 21.

An Act to amend the Railway Act (Rates on grain).

R.S., c. 170

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Rates on grain and flour moving west.

1. Subsection five of section three hundred and twenty-five of the *Railway Act*, chapter one hundred and seventy of the Revised Statutes of Canada, 1927, is amended by striking out the proviso thereto and substituting the following therefor:—

"Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall be governed by the provisions of the agreement made pursuant to chapter five of the Statutes of Canada, 1897, but such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur, and to all such traffic moving westwardly from Fort William, and from all points on all lines of railway west of Fort William, to Vancouver, British Columbia and to ports on the Pacific Coast, over all lines now or hereafter constructed by any company subject to the jurisdiction of Parliament."

Explanatory Notes.

1. Subsection 5 of section 325, to be amended, reads as follows:—

"**5.** Notwithstanding the provisions of section three of this Act the powers given to the Board under this Act to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require, shall not be limited or in any manner affected by the provisions of any Act of the Parliament of Canada, or by any agreement made or entered into pursuant thereto, whether general in application or special and relating only to any specific railway or railways, and the Board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities, or of undue or unreasonable preference, on the ground that such discrimination or preference is justified or required by any agreement made or entered into by the company: Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall, on and from the twenty-seventh day of June, one thousand nine hundred and twenty-five, be governed by the provisions of the agreement made pursuant to chapter five of the Statutes of Canada, 1897, but such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur over all lines now or hereafter constructed by any company subject to the jurisdiction of Parliament."

The amendment is to be made by the insertion in the proviso of the underlined words in the text of the Bill.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 22.

An Act to amend the Royal Canadian Mounted Police Act.

First reading, March 1, 1934.

The MINISTER OF JUSTICE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75294 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 22.

An Act to amend the Royal Canadian Mounted Police Act.

R.S., c. 160; 1930, c. 39; 1931, c. 11; 1932, c. 37; 1932-33, c. 29.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section two of the *Royal Canadian Mounted Police Act*, chapter one hundred and sixty of the Revised Statutes of Canada, 1927, is repealed and the following substituted therefor:—

Definitions.

"**2.** In this Act, unless the context otherwise requires,

"Constable." (*a*) "constable" means and includes any member of the Royal Canadian Mounted Police Force, other than a Commissioned Officer;

"Force." (*b*) "the Force" means the Royal Canadian Mounted Police Force;

"Member of Force." (*c*) "member of the Force" or "member" includes the Commissioner and every other officer, non-commissioned officer and man of the Force, including the members of the Marine Section;

"Minister." (*d*) "Minister" means the Minister for the time having control and management of the Force;

"Officer." (*e*) "officer" means a commissioned officer of the Force, other than an officer in the Marine Section;

"Marine Section." (*f*) "Marine Section" means the water transport and personnel of the Force;

"Service." (*g*) "service" means service in the Force."

2. Subsection two of section six of the said Act, as enacted by section one of chapter thirty-seven of the statutes of 1932, is repealed and the following is substituted therefor:—

Appointment of deputy commissioner, etc.

"(2) The Governor in Council may by commission appoint a Deputy Commissioner and one or more Assistant Commissioners of Police, one or more staff and other superintendents, and inspectors, detective inspectors, sub-

Explanatory Notes.

1. Section two. The only changes required in section two are those considered necessary as a result of the operations of that Branch of the Force known as the "Marine Section", which is referred to in paragraphs *(c)* and *(e)* and defined in paragraph *(f)* which is entirely new. The object of the amendment is to remove any doubt as to the status of that Branch of the Force, or of its personnel from the 1st April, 1932, when the R.C.M. Police took over the Preventive Service,—the "Marine Section" being a part of that Service. Insofar as paragraph *(e)* of this section is concerned, it is not proposed to appoint Ship's Officers by commission at present. See also section three of this Act.

The only changes in section two consist in the addition of the words underlined on the opposite page.

2. Subsection two of section six as enacted by section one of chapter thirty-seven of the statutes of 1932 at present reads as follows:—

"(2) The Governor *General* may by commission appoint a deputy Commissioner and one or more Assistant Commissioners of Police, and one or more staff and other superintendents and inspectors, surgeons, assistant surgeons and veterinary surgeons of the Force, and the Governor General may in any commission issued under the authority of this subsection limit the time during which the same shall continue in force."

The new subsection provides for additional appointments of detective inspectors, sub-inspectors and assistant veterinary surgeons, and these changes have been underlined.

Insofar as detective inspectors are concerned, it is considered necessary to provide for such appointments from selected members of the Force who show pre-eminence in detective work, and experience has shown that there is a definite need for this rank.

With regard to sub-inspectors. At present, there is no authority to permit the appointment of young, promising non-commissioned officers to a junior commissioned rank and it is considered that a commission of sub-inspector should be authorized rather than to promote to full inspector as is done at present.

inspectors, surgeons, assistant surgeons, veterinary surgeons and assistant veterinary surgeons, of the Force, and the Governor in Council may in any commission issued under the authority of this subsection limit the time during which the same shall continue in force."

3. Subsection one of section eight of the said Act, as enacted by section two of chapter thirty-seven of the statutes of 1932, is repealed and the following is substituted therefor:—

Appointments of constables, trumpeters and buglers, etc.

"**8.** (1) The Governor in Council may from time to time authorize the Commissioner to appoint by warrant under his hand such number of constables as the Governor in Council thinks proper, and men and boys not less than fourteen years of age, as trumpeters and buglers and to appoint from among the constables, non-commissioned officers of different grades, and may from time to time authorize the Commissioner to appoint by warrant under his hand such executive ranks in command, and such engineers and ratings of such grades, to man and assist in the operation of the cruisers and other vessels of the Marine Section, for the prevention of smuggling and similar offences, as the Governor in Council thinks proper, and this subsection shall be and be deemed to have been effective from and after the first day of April, 1932."

Appointment of personnel of marine section.

4. Section nineteen of the said Act, as amended by section eight of chapter thirty-seven of the statutes of 1932, is repealed and the following is substituted therefor:—

Powers and duties of Force.

"**19.** (1) The Force shall, for the purposes aforesaid and the performance of the duties assigned to them by or under the authority of this Part, in addition to the powers and duties conferred or imposed by this Part, have all the powers, authority, protection and privileges which any constable has by law.

Municipal duties.

(2) Except within the Yukon Territory, the Force shall not be charged with any duties under or in connection with any municipal by-laws, unless authorized by the Governor in Council.

Power to prevent offences against revenue laws.

(3) Members of the Force shall in connection with the prevention of offences against the revenue laws of Canada, have all the rights, privileges and immunities of customs and excise preventive officers, including authority to make seizures of goods for infractions of revenue laws, and to lay informations in proceedings brought for the recovery of penalties therefor."

Assistant veterinary surgeon. For some unexplained reason, this rank has been omitted from the Mounted Police Act for many years, although there has been at least one officer serving in that capacity for a long time. The inclusion of this rank is therefore simply to rectify the omission referred to.

3. Subsection one of section eight at present reads as follows:—

"**8.** (1) The Governor in Council may from time to time authorize the Commissioner to appoint by warrant under his hand such number of Constables as the Governor in Council thinks proper, and men and boys not less than fourteen years of age, as trumpeters and buglers and to appoint from among the Constables non-commissioned officers of different grades."

In the amended section on the opposite page the following words (underlined on the opposite page) have been added to the present section above quoted:—

"and may from time to time authorize the Commissioner to appoint by warrant under his hand such executive ranks in command, and such engineers and ratings of such grades, to man and assist in the operation of the cruisers and other vessels of the Marine Section for the prevention of smuggling and similar offences, as the Governor in Council thinks proper, and this subsection shall be and be deemed to have been effective from and after the first day of April, 1932."

This is to provide for the appointment of the personnel of the Marine Section, by warrant of the Commissioner. At present, all ranks in the Marine Section are serving as special constables of the Force. Hereafter, they will be appointed to their proper sea-going rank or rating in the Marine Section.

4. Section nineteen. Section nineteen as it stands at present is the same as shown on the opposite page, with the exception of the words underlined. The only change desired in this section is in subsection two. The words underlined in that subsection are new.

At present the Act directs that the Force shall not be charged with any duties under or in connection with any municipal by-laws.

It is considered in the public interest to amend this section so that the Governor in Council may authorize the R.C.M. Police to carry out duties in connection with municipal by-laws, if any of the provinces, by agreement with the Federal Government, should so require it.

Furthermore, if as a result of mining development, municipalities should spring up in the North West Territories, it would be advantageous to have such a provision.

Separate account.

5. Section twenty-seven of the said Act is repealed.

Offences by others than commissioned officers.

6. Section thirty of the said Act is repealed and the following is substituted therefor:—

"**30.** Every member of the Force, other than a commissioned officer, who is charged with:—

(a) disobeying or refusing to obey the lawful command of, or striking his superior in rank, or any other member of the Force placed in authority over him;

(b) oppressive or tyrannical conduct to his inferior in rank or any other member of the Force over whom he exercises authority;

(c) intoxication, however slight;

(d) having intoxicating liquor illegally in his possession or concealed;

(e) directly or indirectly receiving any gratuity, without the Commissioner's sanction, or any bribe;

(f) wearing any party emblem or otherwise manifesting political partisanship;

(g) overholding any complaint;

(h) mutinous or insubordinate conduct;

(i) unduly overholding any allowances or any other public money entrusted to him;

(j) misapplying or improperly withholding any money or goods levied under any warrant or taken from any prisoner;

(k) divulging any matter or thing which it is his duty to keep secret;

(l) making any anonymous complaint to the government or the Commissioner;

(m) communicating, without the Commissioner's authority, either directly or indirectly, to the public press any matter or thing touching the Force;

(n) wilfully, or through negligence or connivance, allowing any prisoner to escape;

(o) using any cruel, harsh or unnecessary violence towards any prisoner or other person;

5. Section twenty-seven. This section at present reads as follows:—

"**27.** A separate account shall be kept of all monies expended under this part and a detailed statement thereof shall be laid before Parliament at each session thereof."

It is considered that this section is unnecessary as section fifty of the Consolidated Revenue and Audit Act, chapter twenty-seven of the statutes of 1931, provides for the tabling of the report of the Auditor General in which are included the appropriation disbursements of the R.C.M. Police. To render a detailed statement of expenditure as required by section twenty-seven of the Police Act is unnecessary duplication.

6. Section thirty of the Act as it stands at present does not provide for charges to be laid for certain offences which it is considered should be included in the section. All new matter has been underlined.

(*p*) leaving any post on which he has been placed as sentry, guard, or escort, or on any other duty;

(*q*) being asleep, not alert or inattentive whilst on a tour of duty or as sentry, or whilst in charge of prisoners;

(*r*) deserting or absenting himself from his duties or quarters without leave;

(*s*) making a false statement, or a statement deliberately intended to mislead, either verbally or in writing;

(*t*) scandalous or infamous behaviour;

(*u*) disgraceful, profane or immoral conduct;

(*v*) conduct unbecoming a member of the Force;

(*w*) violating any standing order, rule or regulation, or any order, rule or regulation hereafter made; or

(*x*) any disorder or neglect to the prejudice of morality or discipline, although not specified in this part or in any rule or regulation;

Arrest, etc.

may be forthwith placed under arrest and detained in custody, to be dealt with under the provisions of this Part."

7. Section thirty-one of the said Act, as amended by section nine of chapter thirty-seven of the statutes of 1932, and by section three of chapter twenty-nine of the statutes of 1932-33, is repealed and the following is substituted therefor:—

Trial and punishment.

"**31.** (1) The Commissioner, the Deputy Commissioner, an Assistant Commissioner, or the Superintendent or other Commissioned Officer at any post or in any district, may, forthwith, on a charge in writing of any one or more of the offences mentioned in this Act or any regulation made under the authority hereof being preferred against any member of the Force, other than a Commissioned Officer, cause the person so charged to be brought before him, and he shall then and there, in a summary way, investigate the said charge, and, if proved on oath, to his satisfaction, shall thereof convict the offender.

Punishment of offences by non-commissioned officers and constables.

(2) Any such offender shall be liable to a penalty not exceeding one month's pay, or to imprisonment, with hard labour, for a term, not exceeding one year, or to both fine and imprisonment, and also to reduction in rank, in addition in any case to any punishment to which the offender is liable, with respect to such offence, under any other law in force in the Northwest Territories or the Yukon Territory, or in the province in which the offence is committed.

7. Section thirty-one of the R.C.M. Police Act, as amended, reads at present as follows:—

"**31.** (1) The Commissioner, the Deputy Commissioner, and Assistant Commissioner, or the Superintendent or other Commissioned Officer *commanding* at any post or in any district, may, forthwith, on a charge in writing of any one or more of the offences mentioned in *the last preceding section* being preferred against any member of the Force, other than a commissioned officer, cause the person, so charged to be brought before him, and he shall then and there, in a summary way, investigate the said charge, and, if proved on oath, to his satisfaction, shall thereof convict the offender.

(2) Any such offender shall be liable to a penalty not exceeding one month's pay or to imprisonment, with hard labour, for a term not exceeding one year, or to both fine and imprisonment, and also to reduction in rank, in addition in any case to any punishment to which the offender is liable, with respect to such offence, under any other law in force in the North West Territories or the Yukon Territory, or in the province in which the offence is committed."

In subsection one of the proposed amendment it is desired to omit the word "commanding" as shown in italics in the present section, above quoted, and to substitute for the words "in the last preceding section" the words "in this Act or any regulation made under the authority hereof", (underlined on the opposite page) so that, in the first place, any Commissioned Officer may try the case, and in the second place to permit the said officer to try any offence against the Act or regulations.

Subsection two is exactly as it stands at present. No change required.

Subsections three and four. These are new subsections and are to provide—by subsection three—for the complete stoppage of pay for absence without leave for a period of six consecutive hours or over, or, where an absence without leave has prevented the offender from performing some police duty which was thereby thrown upon some other person.

Subsection four provides for the assessment of loss or damage to Government or other property, from the causes mentioned and for the stoppage of the amount from the pay of the delinquent. These are purely disciplinary measures.

Stoppage of pay.

(3) Any such offender on being convicted of absence without leave, in addition to a fine or imprisonment, may be subject to complete stoppage of pay each day he is so absent, within the meaning of the Royal Canadian Mounted Police Rules and Regulations.

Damages and expenses.

(4) Any such offender on being convicted of damage to or loss of Government or other property, or of rendering himself unfit for duty through negligence, carelessness or wilful act, may be required to pay the cost of such damage or loss or of the hospital and medical bills incurred while unfit for duty, or may be required to pay such amount by pay stoppage as may be levied against him by the officer trying the case, in addition to any other punishment which may be awarded."

8. Section forty-eight of the said Act, as amended by section twelve of chapter thirty-seven of the statutes of 1932, is amended by the addition of the following subsection:—

Time served with provincial police force included for pension purposes.

"(7) Recognition of prior service in and time served in any provincial police force with which the Federal Government has an agreement under section five of this Act, at the time of the officer's appointment or re-appointment, or subsequent to such appointment or re-appointment, may be included in the term of service for the purpose of pension under this part, provided the officer pays the amount required by the Governor in Council."

8. Section forty-eight. Under section five of the R.C.M. Police Act, as amended by section one of chapter eleven of the statutes of 1931, the Governor in Council may enter into arrangements with the Government of any province of Canada for the use or employment of the R.C.M. Police in aiding the administration of justice in such province and there may be included in any such arrangement provision for the taking over by the R.C.M. Police Force of such officers and men of any provincial police force as may be required and for the extension to such officers and men of the pension benefits provided for officers and constables of the R.C.M. Police Force, upon such terms and conditions, including recognition of prior service, as may be approved by the Governor in Council, and agreed upon between the Dominion Government and the government of any province.

The intention of the proposed amendment by subsection seven of section forty-eight is to permit similar concessions to any officer of the Force who was a former officer of any provincial police force with which the Federal Government has an agreement at the times stated, irrespective of whether the officer was taken over by the R.C.M. Police at the time they assumed provincial duties in the province or not, provided he pays the amount required by the Governor in Council.

9. Section fifty-nine of the said Act is repealed as from the thirty-first March, 1934.

10. The said Act is amended by inserting the following section immediately after section sixty-four:—

Pension to widow and allowance to children.

"**64A.** (1) Subject to the provisions hereinafter contained, the Governor in Council may grant a pension to the widow and a compassionate allowance to each of the children of any officer who loses his life in the performance of duty, as a result of hardship, accident, misadventure or violence.

Amount of pension and allowances.

(2) The pension of such widow shall be equal to one-half the pay and allowances which would have been permitted her deceased husband for pension purposes, under this Act at the time of his death, irrespective of whether he had qualified for pension by length of service or not, and the compassionate allowance to each child shall be that stipulated in section fifty-five of this Act.

Limitations not to apply.

(3) The provisions of section fifty-six shall not apply in the case of the widow and children of an officer who loses his life under the conditions set forth in subsection one of this section.

Provisions applicable.

(4) Payments of pension or compassionate allowance granted to the widow and children of an officer under this section shall be subject to the provisions of sections fifty-seven, fifty-eight and sixty of this Act."

9. Section fifty-nine at present reads as follows:—

"**59.** Pensions and compassionate allowances of officers' wives and children shall be paid from the day following that of the officer's death to the thirtieth day of June next ensuing; and subsequent payments shall be made quarterly in advance from the first day of July in each year."

The repeal of this section is necessary owing to all Royal Canadian Mounted Police statutory pensions being taken over by the Department of Finance for payment from April 1, 1934. Mounted Police pensioners will from that date receive their pension payments through chartered Canadian banks at the end of each month, under a similar system of pension payment as the Finance Department provides for retired civil servants under the Superannuation Act.

Pension payments through chartered banks are payable monthly upon the last day of each month and not quarterly in advance as provided under the present section fifty-nine hereby repealed.

10. Section sixty-four A. This is an entirely new section and is intended to provide a pension for the widow of any officer who loses his life in the performance of duty, as a result of hardship, accident, misadventure or violence.

For a number of years there has been no officer of less than ten years' service who has lost his life in the performance of duty, but in the case of non-commissioned officers and constables it has been the practice to place an item in the estimates to provide for a pension to a widow, equal to half the pay of the deceased husband.

The present amendment would permit the widow of an officer of less than ten years' service, who loses his life in the performance of duty, being granted a pension equal to half the pay and allowances of the deceased husband without having to resort to the usual practice of placing an item in the estimates, which usually results in considerable delay, especially if the House is not in session, and sometimes causes serious inconvenience to the widow. It is, therefore, considered better to obtain statutory powers to grant the pension of half the pay and allowances of the deceased officer, without the delay usually connected with the present practice.

In the case of an officer of over ten years' service it has been the custom to grant the widow half the pension to which her late husband would have been entitled at the time of his death, by length of service. This is authorized by the R.C.M. Police Act. The amount in such a case for an officer of over ten years' service who loses his life in the performance of duty is usually very small, and the circumstances can hardly be compared with the pension of the widow of an officer who serves long enough to obtain his maximum pension, lives to enjoy it, and in the event

of his death, is continued to his widow to the extent of one-half.

In the case of an officer of over ten years' service who was killed on duty at Saskatoon on May 8, 1933, an item has been included in the R.C.M. Police estimates granting a pension to the widow, based on one-half the pay and allowances of the husband. The statutory powers now asked for would make such special treatment unnecessary.

The present amendment would make a distinction between the widow of the officer who loses his life in the performance of duty, and the widow of the officer of long service, who has either died a natural death or who is in receipt of pension at the time of his death. Under the proposed amendment the widow of the officer who loses his life in the performance of duty, will be entitled to a pension equal to half of her late husband's pay and allowances, irrespective of the length of service of her late husband.

The foregoing remarks apply to the provisions of subsection one and two of section sixty-four A except the compassionate allowance for the children, which is dealt with in the succeeding paragraph.

It is proposed that the compassionate allowance to officers' children shall be those provided by section fifty-five of the Royal Canadian Mounted Police Act, according to the rank of the deceased officer.

Subsection three. This subsection is necessary as section fifty-six of the R.C.M. Police Act provides that in the ordinary statute pension the total amount paid to the widow and children of an officer during any year, will not exceed the amount of the pension of which the officer was in receipt, or to which he would have been entitled, as the case may be. In the case of an officer of less than ten years' service, the amount of pension under the proposed amendment sometimes would exceed the amount set forth in section fifty-six, and, therefore, it is necessary to make an amendment that the provisions of section fifty-six will not apply in the case of a widow and children of an officer who loses his life in the performance of duty.

Subsection four is to make provision that the times and occasions when the payments of pensions and compassionate allowances shall be paid, or shall cease, are to be the same as those provided for other statute pensions and compassionate allowances for officers' widows and children.

11. Section sixty-five of the said Act is repealed and the following is substituted therefor:—

Constable may be requested to retire.

"**65.** When any constable has completed a service of twenty years, or has reached the age limit, the Commissioner may, with the approval of the Governor in Council, require him to retire upon the terms as to pension prescribed by this Part."

12. Section sixty-seven of the said Act, as amended by section fourteen of chapter thirty-seven of the statutes of 1932, is amended by adding thereto the following subsection:—

Time served with provincial police force included for pension purposes.

"(4) Recognition of prior service in and time served in any provincial police force with which the Federal Government has an agreement under section five of this Act at the time of the constable's engagement or re-engagement or subsequent to such engagement or re-engagement may be included in the term of service for the purpose of pension under this Part, provided the constable pays the amount required by the Governor in Council."

13. Section sixty-nine of the said Act is repealed and the following is substituted therefor:—

Certificate of medical board.

"**69.** (1) Before a pension is granted to a constable, who after having served for less than twenty years, retires on the ground of his being incapacitated, by infirmity of mind or body for the discharge of his duty, a medical board composed of a surgeon, or assistant surgeon, or acting assistant surgeon, or a medical practitioner employed by the Force, and two other legally qualified medical practitioners, shall certify that such constable is so incapacitated and that the incapacity is likely to be permanent.

Evidence of incapacity.

(2) Until the liability of a constable to serve again ceases, he shall, when required, furnish satisfactory evidence certified by a legally qualified medical practitioner that such incapacity continues."

11. Section sixty-five. This section as it stands at present reads as follows:—

"When any constable has completed a service of twenty years, the Commissioner may, with the approval of the Governor in Council, require him to retire upon the terms as to pension prescribed by this Part."

It will be observed from the amendment that the words "or has reached the age limit" have been inserted after the words "service of twenty years". These are necessary to provide for compulsory retirement when the age limit is reached if considered in the public interest.

12. Section sixty-seven. Section sixty-seven of the R.C.M. Police Act, as amended by section fourteen of chapter thirty-seven of the statutes of 1932, reads as follows:

"**67.** For the purpose of estimating any pension under this Part,

(a) if the service has not been continuous, the period or periods during which such service has been interrupted shall not be counted;

(b) neither working pay nor extra pay of any man shall be considered.

(2) Time served on active service during the war between Great Britain and Germany which commenced on the fourth day of August, one thousand nine hundred and fourteen, may be included in the term of service for the purpose of pension under this Part.

(3) Time served in the Civil Service of Canada which counted towards superannuation and retirement under the various Civil Service Superannuation and Retirement Acts, and time served in the Customs, Excise, Preventive Service of the Department of National Revenue, may be included in the term of service for the purpose of pension under this Part."

With regard to the new subsection four. This is to permit prior service in any provincial police force with which the Federal Government has an agreement to count for pension in the case of non-commissioned officers and constables in the same manner as has been suggested for commissioned officers under section eight of this Act.

13. Section sixty-nine. The only change required in this section is to omit the word "senior" before the word "surgeon" where it first appears in the section and to make it possible for the medical board to be composed of any medical doctor employed by the Force and two other legally qualified medical practitioners.

There is no change in subsection two.

14. The said Act is amended by the addition of the following section:—

Pensions to widows and compassionate allowances to children.

"**76.** (1) Subject to the provisions hereinafter contained, the Governor in Council may grant a pension to the widow and a compassionate allowance to each of the children of any constable who loses his life in the performance of duty, as a result of hardship, accident, misadventure or violence.

Amount of pensions and allowances.

(2) The pension of a constable's widow shall be equal to one-half the pay and allowances which would have been permitted her deceased husband for pension purposes, under this Act, at the time of his death, irrespective of whether he had qualified for pension by length of service or not, and the compassionate allowance to each child shall be sixty dollars per annum.

Provisions applicable.

(3) Payments of pension or compassionate allowance granted to the widow and children of a constable under this section shall be subject to the provisions of sections fifty-seven, fifty-eight and sixty of this Act."

14. Section seventy-six. This is to provide the necessary statutory authority for the payment of a pension to the widow of any non-commissioned officer or constable, who may be killed while in the performance of duty in a manner similar to that proposed for commissioned officers under section ten of this Act, and also to provide a compassionate allowance for the children of such non-commissioned officer or constable, instead of inserting an amount in the R.C.M. Police estimates as the cases arise which has been the practice in the past. In that sense the amendment is to provide permanent statutory authority for present procedure, which often results in long delays, as set forth in the explanatory notes opposite section ten of this Act.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 22.

An Act to amend the Royal Canadian Mounted Police Act.

AS PASSED BY THE HOUSE OF COMMONS, 13th MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75296 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 22.

An Act to amend the Royal Canadian Mounted Police Act.

R.S., c. 160; 1930, c. 39; 1931, c. 11; 1932, c. 37; 1932-33, c. 29.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section two of the *Royal Canadian Mounted Police Act*, chapter one hundred and sixty of the Revised Statutes of Canada, 1927, is repealed and the following substituted therefor:—

Definitions.

"**2.** In this Act, unless the context otherwise requires,

"Constable." (*a*) "constable" means and includes any member of the Royal Canadian Mounted Police Force, other than a Commissioned Officer;

"Force." (*b*) "the Force" means the Royal Canadian Mounted Police Force;

"Member of Force." (*c*) "member of the Force" or "member" includes the Commissioner and every other officer, non-commissioned officer and man of the Force, including the members of the Marine Section;

"Minister." (*d*) "Minister" means the Minister for the time having control and management of the Force;

"Officer." (*e*) "officer" means a commissioned officer of the Force, other than an officer in the Marine Section;

"Marine Section." (*f*) "Marine Section" means the water transport and personnel of the Force;

"Service." (*g*) "service" means service in the Force."

2. Subsection two of section six of the said Act, as enacted by section one of chapter thirty-seven of the statutes of 1932, is repealed and the following is substituted therefor:—

Appointment of deputy commissioner, etc.

"(2) The Governor in Council may by commission appoint a Deputy Commissioner and one or more Assistant Commissioners of Police, one or more staff and other superintendents, and inspectors, detective inspectors, sub-

Explanatory Notes.

1. Section two. The only changes required in section two are those considered necessary as a result of the operations of that Branch of the Force known as the "Marine Section", which is referred to in paragraphs *(c)* and *(e)* and defined in paragraph *(f)* which is entirely new. The object of the amendment is to remove any doubt as to the status of that Branch of the Force, or of its personnel from the 1st April, 1932, when the R.C.M. Police took over the Preventive Service,—the "Marine Section" being a part of that Service. Insofar as paragraph *(e)* of this section is concerned, it is not proposed to appoint Ship's Officers by commission at present. See also section three of this Act.

The only changes in section two consist in the addition of the words underlined on the opposite page.

2. Subsection two of section six as enacted by section one of chapter thirty-seven of the statutes of 1932 at present reads as follows:—

"(2) The Governor *General* may by commission appoint a deputy Commissioner and one or more Assistant Commissioners of Police, and one or more staff and other superintendents and inspectors, surgeons, assistant surgeons and veterinary surgeons of the Force, and the Governor General may in any commission issued under the authority of this subsection limit the time during which the same shall continue in force."

The new subsection provides for additional appointments of detective inspectors, sub-inspectors and assistant veterinary surgeons, and these changes have been underlined.

Insofar as detective inspectors are concerned, it is considered necessary to provide for such appointments from selected members of the Force who show pre-eminence in detective work, and experience has shown that there is a definite need for this rank.

With regard to sub-inspectors. At present, there is no authority to permit the appointment of young, promising non-commissioned officers to a junior commissioned rank and it is considered that a commission of sub-inspector should be authorized rather than to promote to full inspector as is done at present.

inspectors, surgeons, assistant surgeons, veterinary surgeons and assistant veterinary surgeons, of the Force, and the Governor in Council may in any commission issued under the authority of this subsection limit the time during which the same shall continue in force."

3. Subsection one of section eight of the said Act, as enacted by section two of chapter thirty-seven of the statutes of 1932, is repealed and the following is substituted therefor:—

Appointments of constables, trumpeters and buglers, etc.

"**8.** (1) The Governor in Council may from time to time authorize the Commissioner to appoint by warrant under his hand such number of constables as the Governor in Council thinks proper, and men and boys not less than fourteen years of age, as trumpeters and buglers and to appoint from among the constables, non-commissioned officers of different grades, and may from time to time authorize the Commissioner to appoint by warrant under his hand such executive ranks in command, and such engineers and ratings of such grades, to man and assist in the operation of the cruisers and other vessels of the Marine Section, for the prevention of smuggling and similar offences, as the Governor in Council thinks proper, and this subsection shall be and be deemed to have been effective from and after the first day of April, 1932."

Appointment of personnel of marine section.

4. Section nineteen of the said Act, as amended by section eight of chapter thirty-seven of the statutes of 1932, is repealed and the following is substituted therefor:—

Powers and duties of Force.

"**19.** (1) The Force shall, for the purposes aforesaid and the performance of the duties assigned to them by or under the authority of this Part, in addition to the powers and duties conferred or imposed by this Part, have all the powers, authority, protection and privileges which any constable has by law.

Municipal duties.

(2) Except within the Yukon Territory, the Force shall not be charged with any duties under or in connection with any municipal by-laws, unless authorized by the Governor in Council.

Power to prevent offences against revenue laws.

(3) Members of the Force shall in connection with the prevention of offences against the revenue laws of Canada, have all the rights, privileges and immunities of customs and excise preventive officers, including authority to make seizures of goods for infractions of revenue laws, and to lay informations in proceedings brought for the recovery of penalties therefor."

Assistant veterinary surgeon. For some unexplained reason, this rank has been omitted from the Mounted Police Act for many years, although there has been at least one officer serving in that capacity for a long time. The inclusion of this rank is therefore simply to rectify the omission referred to.

3. Subsection one of section eight at present reads as follows:—

"**8.** (1) The Governor in Council may from time to time authorize the Commissioner to appoint by warrant under his hand such number of Constables as the Governor in Council thinks proper, and men and boys not less than fourteen years of age, as trumpeters and buglers and to appoint from among the Constables non-commissioned officers of different grades."

In the amended section on the opposite page the following words (underlined on the opposite page) have been added to the present section above quoted:—

"and may from time to time authorize the Commissioner to appoint by warrant under his hand such executive ranks in command, and such engineers and ratings of such grades, to man and assist in the operation of the cruisers and other vessels of the Marine Section for the prevention of smuggling and similar offences, as the Governor in Council thinks proper, and this subsection shall be and be deemed to have been effective from and after the first day of April, 1932."

This is to provide for the appointment of the personnel of the Marine Section, by warrant of the Commissioner. At present, all ranks in the Marine Section are serving as special constables of the Force. Hereafter, they will be appointed to their proper sea-going rank or rating in the Marine Section.

4. Section nineteen. Section nineteen as it stands at present is the same as shown on the opposite page, with the exception of the words underlined. The only change desired in this section is in subsection two. The words underlined in that subsection are new.

At present the Act directs that the Force shall not be charged with any duties under or in connection with any municipal by-laws.

It is considered in the public interest to amend this section so that the Governor in Council may authorize the R.C.M. Police to carry out duties in connection with municipal by-laws, if any of the provinces, by agreement with the Federal Government, should so require it.

Furthermore, if as a result of mining development, municipalities should spring up in the North West Territories, it would be advantageous to have such a provision.

Separate account.

5. Section twenty-seven of the said Act is repealed.

Offences by others than commissioned officers.

6. Section thirty of the said Act is repealed and the following is substituted therefor:—

"**30.** Every member of the Force, other than a commissioned officer, who is charged with:—

(a) disobeying or refusing to obey the lawful command of, or striking his superior in rank, or any other member of the Force placed in authority over him;

(b) oppressive or tyrannical conduct to his inferior in rank or any other member of the Force over whom he exercises authority;

(c) intoxication, however slight;

(d) having intoxicating liquor illegally in his possession or concealed;

(e) directly or indirectly receiving any gratuity, without the Commissioner's sanction, or any bribe;

(f) wearing any party emblem or otherwise manifesting political partisanship;

(g) overholding any complaint;

(h) mutinous or insubordinate conduct;

(i) unduly overholding any allowances or any other public money entrusted to him;

(j) misapplying or improperly withholding any money or goods levied under any warrant or taken from any prisoner;

(k) divulging any matter or thing which it is his duty to keep secret;

(l) making any anonymous complaint to the government or the Commissioner;

(m) communicating, without the Commissioner's authority, either directly or indirectly, to the public press any matter or thing touching the Force;

(n) wilfully, or through negligence or connivance, allowing any prisoner to escape;

(o) using any cruel, harsh or unnecessary violence towards any prisoner or other person;

5. Section twenty-seven. This section at present reads as follows:—

"**27.** A separate account shall be kept of all monies expended under this part and a detailed statement thereof shall be laid before Parliament at each session thereof."

It is considered that this section is unnecessary as section fifty of the Consolidated Revenue and Audit Act, chapter twenty-seven of the statutes of 1931, provides for the tabling of the report of the Auditor General in which are included the appropriation disbursements of the R.C.M. Police. To render a detailed statement of expenditure as required by section twenty-seven of the Police Act is unnecessary duplication.

6. Section thirty of the Act as it stands at present does not provide for charges to be laid for certain offences which it is considered should be included in the section. All new matter has been underlined.

(*p*) leaving any post on which he has been placed as sentry, guard, or escort, or on any other duty;

(*q*) being asleep, not alert or inattentive whilst on a tour of duty or as sentry, or whilst in charge of prisoners;

(*r*) deserting or absenting himself from his duties or quarters without leave;

(*s*) making a false statement, or a statement deliberately intended to mislead, either verbally or in writing;

(*t*) scandalous or infamous behaviour;

(*u*) disgraceful, profane or immoral conduct;

(*v*) conduct unbecoming a member of the Force;

(*w*) violating any standing order, rule or regulation, or any order, rule or regulation hereafter made; or

(*x*) any disorder or neglect to the prejudice of morality or discipline, although not specified in this part or in any rule or regulation;

Arrest, etc.

may be forthwith placed under arrest and detained in custody, to be dealt with under the provisions of this Part."

7. Section thirty-one of the said Act, as amended by section nine of chapter thirty-seven of the statutes of 1932, and by section three of chapter twenty-nine of the statutes of 1932-33, is repealed and the following is substituted therefor:—

Trial and punishment.

"**31.** (1) The Commissioner, the Deputy Commissioner, an Assistant Commissioner, or the Superintendent or other Commissioned Officer at any post or in any district, may, forthwith, on a charge in writing of any one or more of the offences mentioned in this Act or any regulation made under the authority hereof being preferred against any member of the Force, other than a Commissioned Officer, cause the person so charged to be brought before him, and he shall then and there, in a summary way, investigate the said charge, and, if proved on oath, to his satisfaction, shall thereof convict the offender.

Punishment of offences by non-commissioned officers and constables.

(2) Any such offender shall be liable to a penalty not exceeding one month's pay, or to imprisonment, with hard labour, for a term, not exceeding one year, or to both fine and imprisonment, and also to reduction in rank, in addition in any case to any punishment to which the offender is liable, with respect to such offence, under any other law in force in the Northwest Territories or the Yukon Territory, or in the province in which the offence is committed.

7. Section thirty-one of the R.C.M. Police Act, as amended, reads at present as follows:—

"**31.** (1) The Commissioner, the Deputy Commissioner, and Assistant Commissioner, or the Superintendent or other Commissioned Officer *commanding* at any post or in any district, may, forthwith, on a charge in writing of any one or more of the offences mentioned in *the last preceding section* being preferred against any member of the Force, other than a commissioned officer, cause the person, so charged to be brought before him, and he shall then and there, in a summary way, investigate the said charge, and, if proved on oath, to his satisfaction, shall thereof convict the offender.

(2) Any such offender shall be liable to a penalty not exceeding one month's pay or to imprisonment, with hard labour, for a term not exceeding one year, or to both fine and imprisonment, and also to reduction in rank, in addition in any case to any punishment to which the offender is liable, with respect to such offence, under any other law in force in the North West Territories or the Yukon Territory, or in the province in which the offence is committed."

In subsection one of the proposed amendment it is desired to omit the word "commanding" as shown in italics in the present section, above quoted, and to substitute for the words "in the last preceding section" the words "in this Act or any regulation made under the authority hereof", (underlined on the opposite page) so that, in the first place, any Commissioned Officer may try the case, and in the second place to permit the said officer to try any offence against the Act or regulations.

Subsection two is exactly as it stands at present. No change required.

Subsections three and four. These are new subsections and are to provide—by subsection three—for the complete stoppage of pay for absence without leave for a period of six consecutive hours or over, or, where an absence without leave has prevented the offender from performing some police duty which was thereby thrown upon some other person.

Subsection four provides for the assessment of loss or damage to Government or other property, from the causes mentioned and for the stoppage of the amount from the pay of the delinquent. These are purely disciplinary measures.

Stoppage of pay.

(3) Any such offender on being convicted of absence without leave, in addition to a fine or imprisonment, may be subject to complete stoppage of pay each day he is so absent, within the meaning of the Royal Canadian Mounted Police Rules and Regulations.

Damages and expenses.

(4) Any such offender on being convicted of damage to or loss of Government or other property, or of rendering himself unfit for duty through negligence, carelessness or wilful act, may be required to pay the cost of such damage or loss or of the hospital and medical bills incurred while unfit for duty, or may be required to pay such amount by pay stoppage as may be levied against him by the officer trying the case, in addition to any other punishment which may be awarded."

8. Section forty-eight of the said Act, as amended by section twelve of chapter thirty-seven of the statutes of 1932, is amended by the addition of the following subsection:—

Time served with provincial police force included for pension purposes.

"(7) Recognition of prior service in and time served in any provincial police force with which the Federal Government has an agreement under section five of this Act, at the time of the officer's appointment or re-appointment, or subsequent to such appointment or re-appointment, may be included in the term of service for the purpose of pension under this part, provided the officer pays the amount required by the Governor in Council."

8. Section forty-eight. Under section five of the R.C.M. Police Act, as amended by section one of chapter eleven of the statutes of 1931, the Governor in Council may enter into arrangements with the Government of any province of Canada for the use or employment of the R.C.M. Police in aiding the administration of justice in such province and there may be included in any such arrangement provision for the taking over by the R.C.M. Police Force of such officers and men of any provincial police force as may be required and for the extension to such officers and men of the pension benefits provided for officers and constables of the R.C.M. Police Force, upon such terms and conditions, including recognition of prior service, as may be approved by the Governor in Council, and agreed upon between the Dominion Government and the government of any province.

The intention of the proposed amendment by subsection seven of section forty-eight is to permit similar concessions to any officer of the Force who was a former officer of any provincial police force with which the Federal Government has an agreement at the times stated, irrespective of whether the officer was taken over by the R.C.M. Police at the time they assumed provincial duties in the province or not, provided he pays the amount required by the Governor in Council.

9. Section fifty-nine of the said Act is repealed as from the thirty-first March, 1934.

10. The said Act is amended by inserting the following section immediately after section sixty-four:—

Pension to widow and allowance to children.

"**64A.** (1) Subject to the provisions hereinafter contained, the Governor in Council may grant a pension to the widow and a compassionate allowance to each of the children of any officer who loses his life in the performance of duty, as a result of hardship, accident, misadventure or violence.

Amount of pension and allowances.

(2) The pension of such widow shall be equal to one-half the pay and allowances which would have been permitted her deceased husband for pension purposes, under this Act at the time of his death, irrespective of whether he had qualified for pension by length of service or not, and the compassionate allowance to each child shall be that stipulated in section fifty-five of this Act.

Limitations not to apply.

(3) The provisions of section fifty-six shall not apply in the case of the widow and children of an officer who loses his life under the conditions set forth in subsection one of this section.

Provisions applicable.

(4) Payments of pension or compassionate allowance granted to the widow and children of an officer under this section shall be subject to the provisions of sections fifty-seven, fifty-eight and sixty of this Act."

9. Section fifty-nine at present reads as follows:—

"**59.** Pensions and compassionate allowances of officers' wives and children shall be paid from the day following that of the officer's death to the thirtieth day of June next ensuing; and subsequent payments shall be made quarterly in advance from the first day of July in each year."

The repeal of this section is necessary owing to all Royal Canadian Mounted Police statutory pensions being taken over by the Department of Finance for payment from April 1, 1934. Mounted Police pensioners will from that date receive their pension payments through chartered Canadian banks at the end of each month, under a similar system of pension payment as the Finance Department provides for retired civil servants under the Superannuation Act.

Pension payments through chartered banks are payable monthly upon the last day of each month and not quarterly in advance as provided under the present section fifty-nine hereby repealed.

10. Section sixty-four A. This is an entirely new section and is intended to provide a pension for the widow of any officer who loses his life in the performance of duty, as a result of hardship, accident, misadventure or violence.

For a number of years there has been no officer of less than ten years' service who has lost his life in the performance of duty, but in the case of non-commissioned officers and constables it has been the practice to place an item in the estimates to provide for a pension to a widow, equal to half the pay of the deceased husband.

The present amendment would permit the widow of an officer of less than ten years' service, who loses his life in the performance of duty, being granted a pension equal to half the pay and allowances of the deceased husband without having to resort to the usual practice of placing an item in the estimates, which usually results in considerable delay, especially if the House is not in session, and sometimes causes serious inconvenience to the widow. It is, therefore, considered better to obtain statutory powers to grant the pension of half the pay and allowances of the deceased officer, without the delay usually connected with the present practice.

In the case of an officer of over ten years' service it has been the custom to grant the widow half the pension to which her late husband would have been entitled at the time of his death, by length of service. This is authorized by the R.C.M. Police Act. The amount in such a case for an officer of over ten years' service who loses his life in the performance of duty is usually very small, and the circumstances can hardly be compared with the pension of the widow of an officer who serves long enough to obtain his maximum pension, lives to enjoy it, and in the event

of his death, is continued to his widow to the extent of one-half.

In the case of an officer of over ten years' service who was killed on duty at Saskatoon on May 8, 1933, an item has been included in the R.C.M. Police estimates granting a pension to the widow, based on one-half the pay and allowances of the husband. The statutory powers now asked for would make such special treatment unnecessary.

The present amendment would make a distinction between the widow of the officer who loses his life in the performance of duty, and the widow of the officer of long service, who has either died a natural death or who is in receipt of pension at the time of his death. Under the proposed amendment the widow of the officer who loses his life in the performance of duty, will be entitled to a pension equal to half of her late husband's pay and allowances, irrespective of the length of service of her late husband.

The foregoing remarks apply to the provisions of subsection one and two of section sixty-four A except the compassionate allowance for the children, which is dealt with in the succeeding paragraph.

It is proposed that the compassionate allowance to officers' children shall be those provided by section fifty-five of the Royal Canadian Mounted Police Act, according to the rank of the deceased officer.

Subsection three. This subsection is necessary as section fifty-six of the R.C.M. Police Act provides that in the ordinary statute pension the total amount paid to the widow and children of an officer during any year, will not exceed the amount of the pension of which the officer was in receipt, or to which he would have been entitled, as the case may be. In the case of an officer of less than ten years' service, the amount of pension under the proposed amendment sometimes would exceed the amount set forth in section fifty-six, and, therefore, it is necessary to make an amendment that the provisions of section fifty-six will not apply in the case of a widow and children of an officer who loses his life in the performance of duty.

Subsection four is to make provision that the times and occasions when the payments of pensions and compassionate allowances shall be paid, or shall cease, are to be the same as those provided for other statute pensions and compassionate allowances for officers' widows and children.

11. Section sixty-five of the said Act is repealed and the following is substituted therefor:—

Constable may be requested to retire.

"**65.** When any constable has completed a service of twenty years, or has reached the age limit, the Commissioner may, with the approval of the Governor in Council, require him to retire upon the terms as to pension prescribed by this Part."

12. Section sixty-seven of the said Act, as amended by section fourteen of chapter thirty-seven of the statutes of 1932, is amended by adding thereto the following subsection:—

Time served with provincial police force included for pension purposes.

"(4) Recognition of prior service in and time served in any provincial police force with which the Federal Government has an agreement under section five of this Act at the time of the constable's engagement or re-engagement or subsequent to such engagement or re-engagement may be included in the term of service for the purpose of pension under this Part, provided the constable pays the amount required by the Governor in Council."

13. Section sixty-nine of the said Act is repealed and the following is substituted therefor:—

Certificate of medical board.

"**69.** (1) Before a pension is granted to a constable, who after having served for less than twenty years, retires on the ground of his being incapacitated, by infirmity of mind or body for the discharge of his duty, a medical board composed of a surgeon, or assistant surgeon, or acting assistant surgeon, or a medical practitioner employed by the Force, and two other legally qualified medical practitioners, shall certify that such constable is so incapacitated and that the incapacity is likely to be permanent.

Evidence of incapacity.

(2) Until the liability of a constable to serve again ceases, he shall, when required, furnish satisfactory evidence certified by a legally qualified medical practitioner that such incapacity continues."

11. Section sixty-five. This section as it stands at present reads as follows:—

"When any constable has completed a service of twenty years, the Commissioner may, with the approval of the Governor in Council, require him to retire upon the terms as to pension prescribed by this Part."

It will be observed from the amendment that the words "or has reached the age limit" have been inserted after the words "service of twenty years". These are necessary to provide for compulsory retirement when the age limit is reached if considered in the public interest.

12. Section sixty-seven. Section sixty-seven of the R.C.M. Police Act, as amended by section fourteen of chapter thirty-seven of the statutes of 1932, reads as follows:

"**67.** For the purpose of estimating any pension under this Part,

(a) if the service has not been continuous, the period or periods during which such service has been interrupted shall not be counted;

(b) neither working pay nor extra pay of any man shall be considered.

(2) Time served on active service during the war between Great Britain and Germany which commenced on the fourth day of August, one thousand nine hundred and fourteen, may be included in the term of service for the purpose of pension under this Part.

(3) Time served in the Civil Service of Canada which counted towards superannuation and retirement under the various Civil Service Superannuation and Retirement Acts, and time served in the Customs, Excise, Preventive Service of the Department of National Revenue, may be included in the term of service for the purpose of pension under this Part."

With regard to the new subsection four. This is to permit prior service in any provincial police force with which the Federal Government has an agreement to count for pension in the case of non-commissioned officers and constables in the same manner as has been suggested for commissioned officers under section eight of this Act.

13. Section sixty-nine. The only change required in this section is to omit the word "senior" before the word "surgeon" where it first appears in the section and to make it possible for the medical board to be composed of any medical doctor employed by the Force and two other legally qualified medical practitioners.

There is no change in subsection two.

14. The said Act is amended by the addition of the following section:—

Pensions to widows and compassionate allowances to children.

"**76.** (1) Subject to the provisions hereinafter contained, the Governor in Council may grant a pension to the widow and a compassionate allowance to each of the children of any constable who loses his life in the performance of duty, as a result of hardship, accident, misadventure or violence.

Amount of pensions and allowances.

(2) The pension of a constable's widow shall be equal to one-half the pay and allowances which would have been permitted her deceased husband for pension purposes, under this Act, at the time of his death, irrespective of whether he had qualified for pension by length of service or not, and the compassionate allowance to each child shall be sixty dollars per annum.

Provisions applicable.

(3) Payments of pension or compassionate allowance granted to the widow and children of a constable under this section shall be subject to the provisions of sections fifty-seven, fifty-eight and sixty of this Act."

14. Section seventy-six. This is to provide the necessary statutory authority for the payment of a pension to the widow of any non-commissioned officer or constable, who may be killed while in the performance of duty in a manner similar to that proposed for commissioned officers under section ten of this Act, and also to provide a compassionate allowance for the children of such non-commissioned officer or constable, instead of inserting an amount in the R.C.M. Police estimates as the cases arise which has been the practice in the past. In that sense the amendment is to provide permanent statutory authority for present procedure, which often results in long delays, as set forth in the explanatory notes opposite section ten of this Act.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 23.

An Act to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

First reading, March 5, 1934.

THE MINISTER OF RAILWAYS AND CANALS.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74304 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 23.

An Act to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Agreement ratified.

1. The agreement between His Majesty the King, represented by the Honourable the Minister of Railways and Canals of the Dominion of Canada, of the First Part, and the Canadian Pacific Railway Company, of the Second Part, dated as of the first day of January, 1927, a copy of which forms the Schedule to this Act, is hereby ratified and confirmed and declared to be valid and binding on the parties thereto in all respects whatsoever, as fully and completely as if the said agreement was set out at length and enacted in this Act, and, subject to the provisions of the *Railway Act*, the parties to the said agreement are hereby authorized and empowered to do whatever may be necessary on their respective parts to give full effect to the provisions of the said agreement.

R.S., c. 170.

Explanatory Note.

The object of this Bill is to ratify and confirm an Agreement between His Majesty the King and the Canadian Pacific Railway Company for the joint use of certain tracks and premises belonging to His Majesty at Saint John, New Brunswick, and thus validating the Agreement for a full period of 99 years from the first day of January, 1927, unless sooner terminated in accordance with the provisions of the Agreement.

SCHEDULE.

THIS AGREEMENT dated as of the First day of January, in the year of Our Lord, One thousand and nine hundred and twenty-seven,

BETWEEN

HIS MAJESTY THE KING, represented herein by the Honourable the Minister of Railways and Canals of Canada acting under and by virtue of an Order-in-Council, dated the twenty-fourth day of July A.D., 1930, hereinafter called "the Minister,"

Of the First Part,

AND

CANADIAN PACIFIC RAILWAY COMPANY, hereinafter called "the Company,"

Of the Second Part.

Recitals

WHEREAS the railway of the Company connects with that of the Minister at a point in the vicinity of Mill Street in the City of Saint John, in the Province of New Brunswick, indicated by the letter "A" on the plan which is made a part hereof and signed by the Secretaries of the parties hereto for identification;

AND WHEREAS for some time past the Company has had the benefit and enjoyment jointly with the Minister of the passenger station and passenger facilities of the Minister at the said City of Saint John;

AND WHEREAS the Company desires to continue to have the benefit and enjoyment of the said passenger station and passenger facilities as well for the passenger traffic of the Company originating at and destined to said station as for the through passenger traffic transported over the lines of the Company and the Minister;

AND WHEREAS the Minister has agreed thereto upon and subject to the terms, conditions and provisions hereinafter set forth;

AND WHEREAS it is expedient to define the terms, provisions and conditions upon and subject to which freight traffic shall be interchanged between the parties hereto at Saint John aforesaid;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the mutual covenants and agreements of the parties hereto, hereinafter contained, the parties hereto, for themselves and their respective successors and assigns, do hereby mutually covenant and agree as follows:—

Definitions.

1. That in this Agreement the following words shall, unless the context requires a different meaning, have the following meanings respectively:—

(a) The words "the Minister" or the words relative thereto, shall be deemed to refer to and include the reigning Sovereign and the Successors and Assigns of the Sovereign, and shall be also deemed to refer to and include Canadian National Railway Company, its successors amd assigns, and any other Railway Company or line of railway owned or controlled directly or indirectly by His Majesty in right of the Dominion of Canada;

(b) The words "the Company" or other words relative thereto, shall be deemed to refer to and include the party of the second part and the successors and assigns of the said party of the second part; such assigns being duly consented to under this Agreement;

(c) The words "Joint Tracks" wherever mentioned herein, shall be deemed to refer to and include the tracks of the Minister indicated in red upon the said plan, and all additional railway tracks which may from time to time be constructed by the Minister for the joint use of the parties hereto under the terms of this Agreement;

(d) The words "Joint Premises" wherever mentioned herein shall be deemed to refer to and include the Joint Tracks and the roadbed thereof, the lands now owned by the Minister shown edged in green on the said plan, the said passenger station and passenger facilities of the Minister at Saint John situate upon the said lands, or any portion thereof, and all additional lands, railway facilities and appurtenances which may, pursuant to paragraphs 6 and 7 hereof or by mutual agreement between the parties hereto be acquired, set apart, provided or constructed for the use or benefit of the parties hereto upon or under the terms of this Agreement;

(e) The word "Board" shall mean the Board of Railway Commissioners for Canada.

Joint rights.

2. The Minister shall, upon and subject to the terms and conditions herein contained and to the observance and performance thereof by the Company, permit the Company, during the continuance of this Agreement, to have its tracks connected with the tracks of the Minister at the point marked "A" on the said plan, and to use and enjoy for passenger train purposes the Joint Premises and every part

thereof jointly with the Minister and any other company or companies to which the Minister may grant similar privileges.

Connections.

3. The Minister shall, at the expense of the Company construct and maintain the connections of the Company's tracks with those of the Minister at the said point of junction marked "A" in accordance with detail plans to be approved by the Board, and shall, at the like expense, install, maintain and operate such interlocking and other protective appliances, if any, at the said junction as may be necessary (including interlocking connections within the interlocking zones on the lines of both parties hereto) and shall, at the like expense, from time to time install, maintain and operate such other appliances (including alterations in any of the then existing appliances) for the protection or maintenance of or in connection with the said junction as may be required or ordered or approved by the Board.

Telegraph and telephone lines.

4. The Minister shall likewise, upon and subject to the terms and conditions hereinafter contained, and to the observance and performance thereof by the Company, permit the Company at its own expense, to construct, operate and maintain upon the Joint Premises, the telegraph, telephone and staff system wires of the Company for railway operating and commercial purposes, and the Company shall have the right to install and maintain in the joint station such telegraph, telephone and staff system instruments and appurtenances, including connections with the said wires as may be necessary for operating and commercial purposes.

Minister to operate and maintain.

5. The Minister shall have charge, supervision and control of the Joint Premises, and the maintenance and operation thereof, and shall maintain and at all times keep the Joint Premises in good condition and repair and suitable for the business of both parties hereto, and shall do all acts and things necessary and proper for the operation thereof, and shall comply with all the regulations prescribed by law or by any duly qualified public authority with respect thereto for the safety of the public or otherwise.

Additional lands.

6. The Minister shall, from time to time, during the continuance of this Agreement, acquire and set apart for the use and benefit of the parties hereto upon and under the terms of this Agreement such lands at Saint John in addition to those edged in green upon the said plan, as in the opinion of the parties hereto may be required for the accommodation of the passenger traffic of the parties hereto, intended to be carried on and done hereunder on the Joint Premises; and the cost or determined value of such additional lands, including all expenses of and incidental to the acquisition and setting apart thereof, shall from the date of such acquisition and setting apart be added to the Capital

Account and shall bear interest as herein provided; provided that, should at any time there be any dispute or difference of opinion between the parties hereto as to the necessity or expediency of acquiring any such additional lands such dispute or difference shall be referred for settlement as provided in Paragraph 51 hereof.

Additional facilities.

7. The Minister shall from time to time during the continuance of this Agreement provide or construct upon any land which shall at such time or times be comprised in the Joint Premises, such additional railway facilities and appurtenances as in the opinion of the parties hereto may be required for the operation and handling of the passenger traffic of the parties hereto, and shall re-arrange, rebuild, alter or make such permanent improvements, additions or extensions to or substitutions for any railway facilities or appurtenances (including buildings) now or at any time hereafter comprised in the Joint Premises, as in the opinion of the parties hereto may be so required, and shall provide, make and construct such works and things in connection with the Joint Premises or any portion thereof (including grade separations of City Streets) as have been or may from time to time be ordered or required by the Board, or any other properly qualified authority, and the cost of any and all such additional railway facilities and appurtenances, permanent improvements, buildings, and re-buildings, alterations (not in the nature of repairs), extensions, additions, substitutions, works and things (including any proportion properly chargeable to the Joint Premises of the cost of grade separations of City Streets which may be payable by the parties hereto or either of them) shall be added to Capital Account and shall bear interest as hereinafter provided; provided that, should at any time there be any dispute or difference of opinion between the parties hereto as to the necessity or expediency of any work which either party may at any time desire to have done under the provisions of this paragraph for any of the purposes herein referred to, such dispute or difference shall be referred for settlement as provided by Paragraph 51 hereof.

Equal rights—Company to operate own trains, etc.

8. Each party hereto shall, save as hereinafter specified, have equal rights in all respects to the use and enjoyment of the Joint Premises for the handling of all traffic ordinarily handled on passenger trains and for the transaction of business ordinarily connected with a railway passenger terminal, and the Company shall operate its own trains on and over the Joint Tracks with its own engines and train crews, provided, however, that all shunting and switching service upon and over the Joint Tracks (including the switching of express cars to or from any track or tracks upon which they are loaded or unloaded, should conditions warrant the designation of any track or tracks primarily for that purpose, but excluding service incidental to the

transfer of passenger train cars to and from the tracks of the Company outside the Joint Premises and to the handling of freight traffic of the Company to and from the interchange tracks referred to in Paragraph 19 (a) hereof) shall be performed by the Minister and that the expense thereof shall be included as part of the Operating Expenses of the Joint Premises.

Joint general agent.

9. If in the future the business done on the Joint Premises will justify it, the Minister shall upon request and with the approval of the Company from time to time appoint an Agent who shall have entire control of the Station staff, the transaction of all necessary and current business of the Joint Premises and of the maintenance and operation thereof in the interest of both parties, and he shall be deemed to be a joint employee of both parties. Such agent shall be guided by economical considerations in detailed working arrangements, and shall conduct the same impartially and efficiently as if one Company's interests alone were concerned. The books, accounts and other documents of all kinds of such agent shall at all times be open to the inspection of each of the parties hereto.

Minister to make rules and regulations.

10. (a) The Minister shall from time to time make such reasonable rules and regulations for the operation of the Joint Premises as are customary among railroads;

Equality.

(b) All rules, regulations and train schedules shall be equally just, fair and non-discriminatory as between the parties hereto, and, save as herein otherwise provided, each party shall have in every respect the same rights and privileges in the transaction of its business;

Company's employees to comply.

(c) All conductors, enginemen, trainmen and other employees of the Company connected with its trains, engines and cars, shall, while in or upon the Joint Premises, be subject to the rules, regulations and orders hereinbefore referred to, and all trains, engines and cars shall move over and through the Joint Premises under and in accordance with the orders of the superintendent, dispatchers and other officers of the Minister having authority in that behalf in matters relating to the movement of trains, or in any way affecting the safe and proper working of the Joint Premises;

Minister to employ.

(d) Save as herein otherwise provided, the Minister shall employ all persons necessary for the operation of the Joint Premises including the selling of tickets, the checking and handling of baggage and the handling of telegraph messages for operating and commercial purposes. The Company shall have the right to be consulted in reference to the number of persons employed under this clause, and their rates of remuneration. The Minister shall require all such

Neutrality.

employees to be neutral in the performance of their duties as between the parties hereto, and to do the business of the Company without discrimination. Such employees shall

not solicit business or recommend the routing of passengers for either party, but shall in all respects act with entire impartiality between the parties hereto;

Salaries and dismissal.

(e) The Minister shall carry on his rolls and pay the total salaries and wages of all employees referred to in Clause (d) of this paragraph. Upon request in writing of the Company for good cause shown, the Minister will remove from employment in and about the Joint Premises any such employee who may be unsatisfactory to the Company.

Train schedules.

11. Schedules showing the times for the arrival and departure of trains over and upon the Joint Tracks shall be made from time to time by joint action of the proper officers of the parties hereto. In the event of any dispute or inability on the part of such officers to arrange and agree upon said schedules, or as to the speed of any trains in their movement in or through the Joint Premises, any question so arising shall, if an arrangement cannot be reached, be referred for settlement as provided by Paragraph 51 hereof.

Forms—advertising.

12. The Company shall, at its own expense, provide and supply the passenger tickets, baggage checks, telegraph forms and other forms and stationery required for its own business, and shall at its own expense do its own advertising, including the advertising of its train service. It is understood that the Company may advertise its train service and other notices in the passenger station in the same manner as similar advertising of the Minister;

Ticket and telegraph offices.

PROVIDED, that should the Company at any time or times so elect, it shall be entitled to separate ticket and telegraph offices, to be operated by itself and suitable accommodation shall thereupon be provided, but in that event each party shall pay the salary of its ticket sellers and telegraph operators.

Express business.

13. The express business of the parties hereto and of any express company whose traffic may be carried on the trains of either of them shall be handled by the employees of the party upon whose trains such traffic is carried, or of the express company forwarding such traffic, and suitable space shall from time to time be provided therefor in or near the passenger station, the location and character of such space to be equal in convenience and importance and relative in area as between the parties hereto, due regard being had to the volume of express traffic handled to and from the trains of each party. In the event of express business being handled by joint employees, the party upon whose trains such express traffic is carried shall as between the parties hereto be responsible for the payment of such employees for such services in respect of the express traffic so carried on its trains, and shall make its own arrangements with the express company forwarding such traffic in regard to such payment.

Custody of money.

14. All employees or agents collecting or receiving money, and so far as the custody of any moneys or revenues or effects is concerned, shall be deemed the sole and separate employees of the party for which they handle and receive the same and shall report and remit directly to such party who may bond them or require them to furnish bonds. Neither party hereto shall be liable to the other party on account of the handling of money, revenue or effects by any such employee, or on account of the embezzlement, theft or loss of such money, revenue or effects.

Joint employees.

15. All employees of the Minister engaged in maintaining repairing or operating the Joint Premises, or in dispatching, giving orders for or directing the movement of trains, cars or engines thereon, or in the performance of any other service for the common benefit of the parties hereto, including crew of joint switching engine, and enginemen and trainmen of any work train while upon the Joint Premises, shall, while engaged in such work, be deemed for the purposes of this Agreement joint employees of the parties hereto, but, if any persons above mentioned or referred to are engaged partly in the maintenance, repair or operation of the Joint Premises and partly in service not connected therewith, then and in such case they shall be considered as joint employees only when engaged in any work for the joint use and benefit of the parties hereto in connection with the Joint Premises.

Wrecks.

16. In the event of any engine, train or car of the Company being wrecked while upon the Joint Premises, the wreck shall be picked up at once and removed by the Minister, and the Company, except as herein otherwise provided, shall pay to the Minister the whole cost and expense of and incidental to such service.

Interchange of passenger traffic.

17. The interchange of through passengers and cars handled in passenger trains over the railways of the Minister and the Company via Saint John shall take place on the Joint Tracks. Such cars and passengers or other traffic carried therein shall, after they have arrived at the joint station and the road engine of the incoming train has been detached therefrom, be deemed to be the cars, passengers and traffic, as the case may be, of the railway over which they are to be carried from such station. Through passengers changing cars shall be deemed to be the passengers of the railway over which they are to travel from the said station after they have safely alighted from the incoming train. Through baggage or other traffic handled in passenger trains unloaded at the joint station from a train of one party for furtherance via the line of the other party shall be deemed to be the baggage or other traffic of such other party after it is unloaded and a record of it is taken by the station staff. Such record shall be conclusive as between the parties hereto.

Coach yard facilities.

18. The Minister will assign to the Company for its exclusive use for the purpose of car cleaning, car inspection and light repairs, adequate and suitable space on the Joint Tracks, together with adequate and suitable space in an adjoining building on the Joint Premises for storing supplies and car foreman's office.

Interchange track.

19. (a) In addition to the rights and privileges granted by the Minister to the Company as herein provided, the Minister shall from time to time set apart on a reasonably convenient location, not further east than the so-called Island Yard, trackage having a car capacity of four thousand feet and the turnouts connected therewith, for the use of the Company as interchange tracks in conjunction with trackage of the same extent which shall be set apart by the Minister for his own use as interchange tracks for the purpose of interchanging freight cars and traffic between their respective lines of railway, and in addition to the other payments to be made by the Company to the Minister hereunder, the Company shall pay to the Minister the sum of Two thousand, five hundred and seventy-nine Dollars and fifty-two Cents ($2,579.52) per annum, for the use of the interchange trackage and turnouts set apart for the use of the Company under this paragraph, such payment to be made at the same time and in the same manner as payments of interest under the provisions of Paragraph 46 (a) hereof, and the Company shall also pay to the Minister the whole cost of the maintenance of such trackage and turnouts, which latter payments shall be made at the same times and in the same manner as payments on account of Operating Expenses under Paragraph 46 (c) hereof.

Repair Track.

(b) The Minister shall also set apart for the exclusive use of the Company, during the pleasure of the Minister, as a place for repairing cars, the land shown enclosed in yellow lines on the said plan upon which there is now a building shown hatched in yellow owned by the Company, together with the track shown coloured yellow, or other land and track of equal area or capacity, and equal convenience, and the Company shall pay to the Minister the sum of Three hundred and ninety Dollars and twenty-four Cents ($390.24) per annum by way of compensation for the use of the said siding and site, such payments to be made at the same time and in the same manner as payments of interest under the provisions of Paragraph 46 (a) hereof. The Minister will repair and maintain the said tracks at the expense of the Company.

Provided and it is hereby agreed that the Company shall have the right to withdraw from the use of the interchange tracks and/or repair track referred to in this Paragraph 19 at the end of any calendar year upon giving sixty (60) days'

previous notice in writing of its desire to exercise such right, and in that event, all payments by the Company in respect of the use, repair and maintenance of the said interchange tracks and/or repair track shall thereupon cease and determine. Any expense incurred in removing the repair track shall be paid by the Company.

Transfer of freight traffic.

20. (a) The Company shall perform the transfer service required in the handling of freight cars and traffic interchanged between the parties hereto over the tracks of the Minister, between the connection with the Company's tracks and the interchange tracks referred to in Paragraph 19 (a) hereof, and the Minister hereby grants to the Company joint and equal rights with the Minister to operate its engines and cars over such tracks as shall be necessary in order to reach the said interchange tracks but the Company shall not be required to pay any additional compensation for the rights so granted.

Switching rates.

(b) The Minister will perform the necessary switching service in respect of the undermentioned movements of cars of all classes, passenger or freight, both loaded and empty, including cars requiring repairs and cars of coal and other materials and supplies which the Company may desire to have switched, at the following rates:

(1) Five Dollars ($5.00) for the turning of each car.

(2) (i) One Dollar and seventy-five Cents ($1.75) for the switching of each car from the West End of the interchange tracks to the Company's repair track;

(ii) Two Dollars and fifty Cents ($2.50) for the switching of each car from the East End of the interchange tracks to the Company's repair track;

(iii) One Dollar and seventy-five Cents ($1.75) for the switching of each car from the Company's repair track to the West End of the interchange tracks.

(3) Three Dollars ($3.00) for the switching of each car in either direction between the coach yard and the Company's repair track.

(4) One Dollar ($1.00) for the switching of each car in either direction between the interchange tracks and the coach yard.

Transfer of passenger cars.

(c) If the Company should find it expedient at any time to transfer passenger cars to or from the Joint Premises such cars may be either placed or lifted by the transfer train upon or from the passenger station tracks (at any time when such movement will not in the opinion of the Minister interfere with passenger train operation) or upon or from the interchange tracks. Such cars when placed or lifted from the passenger station tracks, shall be counted in the

wheelage as though they had arrived at or departed from the Joint Premises in regular passenger trains of the Company, but any such cars, when placed or lifted from the interchange tracks will not be counted in the wheelage, and the Company will in such latter case pay to the Minister the appropriate rates mentioned in the next preceding Clause (b) for the switching of such cars between the interchange tracks and the coach yard or repair track as the case may be. Provided, however, that the charges mentioned in Clause (b) of this paragraph shall be subject to revision at any time upon the request of either party hereto on giving sixty (60) days' notice to the other party.

Inter-switching.

21. The Minister shall perform all switching services between all private sidings and wharf tracks connecting with the railway of the Minister in or near the City of Saint John aforesaid and the interchange tracks referred to in Paragraph 19 (a) hereof, in connection with all traffic originating at or destined to such private sidings or wharf tracks and routed via the line of the Company, at the regular interswitching rates provided from time to time under proper authority.

Interchange.

22. Interchange of all cars between the Company and the railway of the Minister on the Joint Tracks and the Interchange Tracks above referred to shall be subject to the American Railway Association Code of per diem rules and the rates from time to time determined by such rules, or to such other rules and rates as may by agreement of the duly authorized officials of the parties hereto be substituted therefor.

Damage on, by, and to trains.

23. Save as herein otherwise provided, each of the parties hereto shall as between themselves be responsible for all loss, damage or injury to person or property which may occur on its engines, cars or trains, for all such loss, damage or injury which may be caused by its engines, cars or trains (including damage by fire originating therefrom) whether or not the condition or arrangement of the Joint Premises or lands owned or leased by the Minister contributes in any manner or to any extent to such loss, damage or injury, and for all damage to its engines, cars or trains while on the Joint Premises, except in the case of collision, in which event the provisions of Paragraph 25 shall apply, and in the case of injury to or death of joint employees, in which event the provisions of Paragraph 26 shall apply. Provided, however, that under this paragraph neither party shall be liable to reimburse the other for any amount paid by way of compensation for injury to or death of any sole employee of such other party save only when such injury or death is due to the negligence of a sole employee or employees of such first mentioned party.

Exceptions.

Injuries to persons on joint premises.

24. When any loss, damage or injury, of whatsoever nature, other than such as is referred to in the next preceding Paragraph hereof, is occasioned to any person who as a passenger or otherwise is lawfully upon the Joint Premises by reason either directly or indirectly of the fact that the Joint Premises or any part thereof is being used by one of the parties hereto for the purpose of handling its traffic, all responsibility for such loss, damage or injury shall, as between the parties hereto be assumed and borne by such party.

Collisions.

25. The parties hereto expressly covenant and agree each with the other that in case of a collision between their respective engines, cars or trains in or upon the Joint Premises, the party whose sole employee or employees is or are alone at fault, or whose sole employee or employees together with a joint employee or employees is or are alone at fault, shall be solely responsible for and shall settle and pay all claims arising by reason thereof, and all loss and damage caused thereby, and shall indemnify and save the other party harmless therefrom, and in case any such collision is caused by the fault of sole employees of both of said parties or solely by the fault of any joint employee or employees of the said parties, or in case the cause of collision is so concealed that it cannot be determined whose employee or employees were at fault, each of said parties shall bear and pay all loss, damage and injury which its own property, or property in its custody, or its passengers or its employees or others claiming through them may have suffered by reason or in consequence thereof, and a share of all damage to property jointly used hereunder apportioned in accordance with the provisions of Paragraph 46 (c) hereof.

Injuries to joint employees.

26. All claims or suits or liabilities arising under any statute for the protection or compensation of workmen growing out of injury to or death of any joint employee, and all claims or suits or liabilities arising out of the loss of or damage to property of any joint employee in or on the Joint Premises shall be settled and paid in the first instance by the Minister. If such injury, death, loss or damage is caused by the negligence of a sole employee or employees of the Minister either alone or in conjunction with that of a joint employee or employees, no claim shall be made therefor against the Company. If such injury, death, loss or damage is caused by the negligence of a sole employee or employees of the Company either alone or in conjunction with a joint employee or employees, the Minister shall forthwith render account to the Company for the full amount paid in settlement of such claim, suit or liability, and the Company shall pay to the Minister the amount of such account within thirty (30) days, after the receipt thereof. If such injury, death, loss or damage is caused accidentally or by the joint

negligence of sole employees of both parties hereto, or by the sole negligence of joint employees, or in case the cause of the injury, death, loss or damage cannot be determined, the Minister, shall include the amount paid in settlement of such suits or claims in the Operating Expenses and the same shall be apportioned and borne by the parties hereto in accordance with the provisions of Paragraph 46 (c) hereof.

Other claims.

27. In any case where loss, damage or injury has resulted to any person or property and such loss, damage or injury does not fall within the provisions of Paragraphs 23, 24, 25 or 26 hereof, or responsibility therefor cannot be satisfactorily determined, then and in all and each of such cases the damages and costs or either and all loss thereby caused shall be charged to Operating Expenses and apportioned in accordance with the provisions of Paragraph 46 (*c*) hereof.

Indemnity.

28. Each party hereto covenants and agrees that it will forever indemnify and save harmless the other party, its successors and assigns, from and against all claims, liabilities or judgments by reason or on account of any injury to or death of any person or of any loss or damage to property, the liability for which is herein assumed by such first mentioned party, and such first mentioned party agrees to pay, satisfy and discharge any judgment that may be obtained by reason thereof, and all costs, charges and expenses payable thereunder.

Defence of suits.

29. In case a suit or suits shall be commenced by any person or corporation against either party hereto, for or on account of any loss, damage or injury for which the other party hereto is liable under the provisions of this Agreement, the party so sued shall give to the other party reasonable notice in writing of the pendency of such suit, and thereupon the other party shall assume the defence of such suit and shall save and hold the party so sued harmless from all loss and costs by reason thereof. Neither party hereto shall be bound by any judgment against the other party unless it shall have had reasonable notice that it was required to defend and has reasonable opportunity to make such defence. When such notice and opportunity have been given the party notified shall be bound by the judgment as to all matters that could have been litigated in such suit.

Business interruptions.

30. Neither party hereto shall under any circumstances have any cause of action against the other for loss or damage of any kind caused by or resulting from interruption or delay to its business.

Settlement of claims.

31. The parties shall settle, as between themselves, any claim for loss or damage according to the terms of this Agreement notwithstanding any judgment or decree of any court or other tribunal in a proceeding brought by other parties.

Proceedings in case of dispute.

32. In case the parties cannot agree under which of the provisions of this Agreement the loss, damage, injury or expense hereinbefore referred to shall be assumed, charged or borne, the question as to how the said loss, damage, injury or expense was occasioned shall be referred for settlement in the manner provided in Paragraph 51 hereof, and in all such cases the award upon such reference shall be final in determining the question in dispute and shall prevail over any contrary finding of a court or jury in an action instituted by any third person or company and in which both parties hereto are not represented; provided, however, that if both parties are represented the finding of such court or jury shall prevail.

Application of liability clauses to third companies.

33. The Minister shall, in the event of his admitting any other company to the use of the Joint Premises, or any part thereof, insert or cause to be inserted in any agreement admitting such other company or companies, the provisions of the foregoing Paragraphs 15 and 23 to 32 inclusive, respecting joint employees and liability for loss, damage and injury, for the benefit of the Company when similar circumstances arise between the Company and any such other company or companies, and such agreement with any such other company shall be construed as if it were signed by all the railway companies at one time in the joint use of the Joint Premises or any part thereof.

Fire loss—Replacement.

34. If and as often as any of the buildings or other property forming part of the Joint Premises be destroyed in whole or in part by fire or other casualty, the same shall be rebuilt or replaced without delay, either according to its former design or such other design, if any, as the parties hereto may agree upon, and such portion of the cost of so doing as is properly chargeable to Maintenance and Operation, less the amount of the insurance, if any, which may be received in respect of the damage or destruction thereof, shall be included in the account of Maintenance and Operation, and shall be apportioned between the parties hereto as provided by Paragraph 46 (*c*) hereof, and the balance of such cost shall be included in the Capital Account, of the interest on which the Company shall bear an equal share, as provided in Paragraph 46 (*a*) hereof.

Failure to insure.

35. Provided, and it is understood and agreed, that while it is the intention of the Minister to insure and keep insured in accordance with his usual practice, either in his own Insurance Fund or with an Insurance Company or Companies, during the continuance of this Agreement, against loss by fire, the buildings and other property forming part of the Joint Premises, for such amounts from time to time as will in the opinion of his Insurance Commissioner reasonably protect the same against loss, no liability of any kind shall rest upon the Minister if such intention to insure

and keep insured is not carried out, whether by reason of negligence or omission on the part of the Minister, his Insurance Commissioner, or otherwise, or by reason of breach of conditions of any policy or contract of insurance which would void the same or give the Insurance Company a defence to any action upon the policy or contract.

Insurance of separate property.

36. Neither party shall be required or be liable to insure any property of the other party, nor shall the Operating Expenses of the Joint Premises include any outlay on account of insurance of the cars, rolling stock, engines or other property of any kind of either party or which may be in its charge except switch engines which may be used in joint service.

Admission of other railways.

37. It is understood and agreed that neither this Agreement nor anything herein contained shall in any way limit the right of the Minister to grant to any other railway company or companies upon such terms as the Minister may deem proper privileges in respect of the Joint Premises or any part thereof similar to those hereby given to the Company; provided, however, that upon the admission of any other railway company or companies to the use or benefit of the Joint Premises, or any portion thereof, in conjunction with the Minister and the Company, there shall for the purpose of meeting the altered conditions, be an equitable readjustment of the terms and provisions of this Agreement, including a readjustment of the payments to be made by the Company for the use and enjoyment of the Joint Premises as herein provided (due regard being had to the extent of the use and benefit of the Joint Premises by the several companies using the same). In the event of the parties hereto being unable to agree upon a proper readjustment of any or all of such terms and provisions, the same shall be referred to the Board for settlement, and the settlement and determination of the Board in respect thereof shall be final and binding upon the parties hereto; and the terms and provisions so agreed upon or so settled and determined shall thereafter constitute the agreement between the parties in respect of the matters covered thereby as fully as if the same were set out herein and formed a part of this Agreement. It is further understood that upon readjustment (if any) of rentals under the provisions of this paragraph, the rental payable by the Company based upon the value of the lands comprised in the Joint Premises is not to be increased or decreased by reason of any increased or decreased value in such lands after the date of this Agreement, nor is the Company upon any such readjustment to have the benefit of any increase in the value of such lands, it being the intention that upon any such readjustment the Minister alone is to obtain the benefit of any increase which may take place in the value of such lands, and of any rental payable by any admitted company in respect of any increased value.

Assignment of Company's rights.

38. The Company shall not without the consent in writing of the Minister, assign or transfer any right or interest under this Agreement, or give or assume to give to any other company or person any right or interest upon or in respect of the Joint Premises or any part thereof; and any assignment, transfer or other instrument contrary to the provisions of this paragraph shall be void and of no effect; provided, however, that an amalgamation with another company shall not be deemed an assignment or transfer contrary to this paragraph, and the amalgamated company as successor by amalgamation shall possess all the rights of its predecessor under this Agreement; provided, further, that nothing herein contained shall be construed to confine or restrict the use and enjoyment of the Joint Premises by the Company to the operation of the lines now owned, leased, operated, controlled (by stock ownership or otherwise), or managed by that company, but the term "the Company" shall be deemed to extend to and include all such lines as may from time to time be properly so described.

Leases to outside parties.

39. Any lease to any outside party of any portion of the Joint Premises, for exclusive occupation by such outside party shall be by and in the name of the Minister, as Lessor for the benefit of the parties to these presents, and the rentals and other payments arising therefrom shall be credited in their proper proportions to (*a*) interest on Capital Account, and (b) the Maintenance and Operation Account, hereinafter provided for, and the parties hereto shall benefit thereby accordingly, and the responsibility for collecting such rentals shall be with the Minister; provided, that no such lease shall be made of any portion of the Joint Premises which shall at the time be required for the use of the parties hereto, or either of them, under this Agreement.

Exclusive occupation by one party.

40. In the event of either of the parties hereto occupying any portion of the Joint Premises for its own exclusive use, otherwise than as specifically provided for in this Agreement, such party shall be charged for such portion of the Joint Premises a rental to be agreed upon between the parties hereto, or, in default of agreement, to be determined under the provisions of Paragraph 51 hereof, and such rental shall be credited in its proper proportions to (a) interest on Capital Account and (b) the Maintenance and Operation Account, hereinafter provided for, and the parties hereto shall benefit thereby accordingly.

Privileges.

41. All facilities and privileges such as refreshment room, parcel room, news stand and telephone booths, pay toilets, shoe stand, vending machines and the like, shall with the approval of the Company, be either operated directly by the Minister or leased by him to outside parties. In the former event the net revenue derived from such operation shall be credited to the Maintenance and Operation Account of the

Joint Premises. In the latter event all rentals derived from such leases shall be credited in their proper proportions to (a) interest on Capital Account and (b) the Maintenance and Operation Account, hereinafter provided for, and the parties hereto shall benefit thereby accordingly.

Per diem.

42. The Minister shall not pay or be liable for any mileage or other compensation for or in respect of any engine or car brought upon the Joint Premises by the Company in connection with its business, but the Company shall as between the parties hereto pay and be liable for and hereby covenants to indemnify the Minister against any claim or claims for any such mileage or other compensation for or in respect of such engines or cars.

Capital account.

43. The Minister shall keep a Capital Account, to which shall be charged the sum of One Million, two hundred and eighteen thousand, three hundred and eighty-two Dollars and forty-one Cents ($1,218,382.41) which, for the purposes hereof is agreed upon as the value of the Joint Premises as of the First day of January, 1927, and any expenditure incurred after said date in acquiring additional lands and in providing, making and constructing additional railway facilities and appurtenances, permanent improvements, buildings, alterations, extensions, additions, substitutions, works and things which may be acquired, provided, made or constructed under the provisions of Paragraphs 6 and 7 hereof respectively, and generally all such other sums (if any) not herein specified as are properly chargeable to Capital as distinguished from Maintenance Account.

Maintenance and operation accounts.

44. The Minister shall also keep one or more accounts of the expense from time to time incurred in the maintenance and operation of the Joint Premises or of the various parts thereof in case it be for any purpose subdivided, including the track connections and interlocking appliances at the junction with the line of the Company at the point marked "A" on the plan hereto. Such expenses shall consist of and include office and management expenses, salaries and wages of officers and employees, legal and other like expenses, supplies, charges for the use of switching engines and supplies therefor, maintenance and repairs and upkeep generally, including repairs and upkeep of station and other structures and also all culverts, ditches and fencing, furniture and equipment, taxes, if any, (whether or not the Company enjoys any exemption from taxes by statute or otherwise) lighting, heating, water supply, compensation for loss, damage or injury, which is to be borne jointly by the parties hereto under Paragraphs 25, 26 and 27 hereof, the cost of compliance by either of the parties hereto with any order of the Board or other duly qualified authority, respecting the maintenance and operation of the Joint

Premises, or any portion thereof, and generally all such other expenses, if any, as are usually chargeable to Maintenance and Operation as distinct from Capital Account.

Percentages for supervision, etc.

45. It is understood that in the cost of carrying out any work or the performance of any service whether on Capital Account or Maintenance and Operation Account, there shall be included in addition to the actual cost, a charge of ten per cent (10%) on labour for supervision and fifteen per cent (15%) on materials and supplies, other than coal, for handling, and that, when any materials or supplies other than coal, are furnished by the Minister to the Company the charge therefor shall include, in addition to the actual cost, fifteen per cent (15%) for handling, which additional charges are agreed upon as reasonable for the purposes mentioned, but may be varied from time to time by joint action of the Accounting Officers of the parties hereto.

Payments—Wheelage, etc.

46. The Company shall, in addition to all other payments herein provided for, pay to the Minister monthly during the continuance of this Agreement by way of rental or compensation for its use and enjoyment of the Joint Premises and as its share of the cost of maintenance and operation thereof, the amounts hereinafter mentioned and referred to, that is to say:—

(a) One-half of interest at the rate of four and one-half per cent (4½%) per annum upon the amount from time to time standing at the debit of Capital Account, together with one-half of any rentals paid for the use of leased property added to the Joint Premises under the provisions of Paragraphs 6 and/or 7 hereof;

(b) One-half of all sums paid by the Minister by way of premiums on any insurance effected under Paragraph 35 hereof, and one-half the premiums at the same respective rates on all sums carried by the Minister in his own Insurance Fund;

(c) Save as otherwise herein specifically provided, such proportion of the cost and expense of the maintenance and operation of the Joint Premises, except car repair, inspection and cleaning expenses, as the number of passenger engines and passenger train cars of the Company arriving at and departing from the Joint Premises shall bear to the total number of passenger engines and passenger train cars arriving at and departing from the Joint Premises;

Provided, and it is understood and agreed, that except on terms which may be mutually agreed upon only such cars as are counted in arriving at the wheelage proportions referred to in this Clause (c) shall be heated at the car heating plant;

Provided further, and it is understood and agreed, that in computing the wheelage hereunder, each engine and each passenger train car, whether loaded or empty, will be counted once on arriving at and once on departing from the

Joint Premises; and that no count shall be taken of passenger engines moving in either direction between the station and roundhouse of either party, or of empty passenger train cars moving in either direction between the coach yard and repair or interchange tracks or for the purpose of being turned, or of engines used to assist trains out of the station, or of engines and passenger or freight cars in the transfer service between the Company's tracks and the interchange tracks above referred to, or of switching engines;

Provided further, and it is understood and agreed, that the Minister while he makes use of the Joint Tracks for handling his freight traffic to and from freight sheds, wharves, team tracks and other tracks, shall assume exclusively such proportion of the expense of maintenance of the Joint Tracks as shall from time to time be agreed upon by the Accounting Officers of the parties hereto.

Rendering o accounts.

47. The Minister shall, as soon after the first of each month as reasonably possible, render to the Company a full and detailed statement showing the amounts payable by that Company for the preceding month by way of or on account of interest on Capital Account, insurance and expenses of maintenance and operation and otherwise as aforesaid, and within thirty (30) days after the rendering of any such statement, the Company shall pay to the Minister at his office in Moncton the amount shown by such statement as payable by the Company pursuant to the terms of this Agreement.

Inspection of books.

48. From time to time and at all times during the continuance of this Agreement the Minister will allow proper inspection by the Company of all books, accounts, returns and vouchers for the purpose of checking or verifying any account or accounts rendered by the Minister to the Company in pursuance of this Agreement, and the Company shall have the right from time to time to employ an auditor or auditors to investigate the accuracy of any such account or accounts, and the Minister shall from time to time afford all proper facilities for such investigation; and neither the acceptance of any such account or accounts nor the payment thereof by the Company shall prejudice its rights to an audit or verification; and if upon any such audit or verification, or at any time it shall be found that the Company has paid to the Minister any sum or sums of money it was not liable to pay under the provisions of this Agreement, it shall be entitled to demand and collect the same from the Minister, and the Minister shall refund the same, provided, however, that such right of inspection in respect of maintenance and operation charges shall be exercisable only within one year after the rendering of the account or accounts sought to be checked or verified, and any account not found to be incorrect within such period

of one year shall not thereafter be subject to objection or change, and provided further that the Minister shall not in any account make any charge in respect of any service performed or material furnished hereunder in connection with maintenance and operation prior to the period of one year before the rendering of such account, unless notice be given in respect of such adjustment before expiry of that period.

Termination on default.

49. Should the Company fail to make any payment which it is obliged by this Agreement to make when the same is due, or fail in any other respect to perform any of the obligations on its part to be performed hereunder, and such default shall continue for six months after notice in writing of such default shall have been given by the Minister to the Company, the Minister may at his election forthwith declare this Agreement terminated, and exclude the Company from all use of the Joint Premises, but this shall not be construed as preventing the Minister from recovering from the Company any moneys payable under the terms hereof; provided, however, that in any case in which any difference shall be submitted for settlement and determination by the Board under the provisions of Paragraph 51 hereof in respect of the particular failure by reason of which it is sought to exercise such right of termination and exclusion hereunder, then the interval between the service of notice of intention to refer and the rendering of the Board's decision shall not in respect of such particular failure be deemed to be included in the period of six (6) months above referred to; provided, further, that nothing herein contained shall relieve the Company of its obligation to pay the moneys payable by it hereunder at the times and in the manner hereinbefore provided for, and, if such difference in any particular case be as to amount payable by the Company, the Company shall nevertheless pay to the Minister the amount alleged by the Minister to be owing, but shall be entitled to recover back any excess which the Board may find to have been paid by it.

Carrying out of agreement.

50. Each of the parties hereto agrees to carry out and give effect to this Agreement in the most liberal and reasonable manner, and to operate its business on the Joint Premises so as to facilitate the business of the other party to the fullest extent compatible with safety and the convenient operation of the business of both parties.

Settlement of disputes.

51. In case any dispute or difference arises between the parties hereto in respect of any matter in this Agreement mentioned, a settlement whereof is not otherwise herein provided for, it is mutually agreed by the parties h reto that the matter which may at any time be the subject of controversy shall be promptly referred to and determined by the Board, whose decision shall be final and binding upon the parties hereto.

Service of notices.

52. All notices to be given under this Agreement shall be in writing, and may be served either personally or by mailing them, postage prepaid and registered, to the Secretary of the Department of Railways and Canals at Ottawa, Ontario, and to the Secretary of the Company at Montreal, Quebec, as case may be.

Duration.

53. This Agreement shall, subject to the sooner termination thereof herein provided, continue in force for a period of twenty (20) years from the date hereof, provided, however, that His Majesty will introduce and will use all lawful means to procure the passage by Parliament of the necessary legislation to confirm and ratify this Agreement and make it effective during the term of ninety-nine (99) years from the date hereof, and when so ratified and confirmed this Agreement shall be and continue in force for the said term of ninety-nine (99) years from the date hereof.

Covenants.

54. Wherever in this Agreement it is stipulated that anything shall be done or performed by either of the parties, it shall be assumed that such party has thereby entered into a covenant with the other party to do or perform the same, and that such covenant is entered into not only by, for or on behalf of the parties hereto, but is also entered into by and on behalf of their respective successors and assigns.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto.

V. I. SMART,
DEPUTY MINISTER OF RAILWAYS AND CANALS

As to execution by the Minister C. P. Buckley.

J. W. PUGSLEY, [L.S..]
Secretary.

CANADIAN PACIFIC RAILWAY COMPANY

GRANT HALL,
Vice-President.
[L.S..]

H. C. OSWALD,
Assistant Secretary.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 23.

An Act to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

AS PASSED BY THE HOUSE OF COMMONS, 13th MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74310 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 23.

An Act to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Agreement ratified.

1. The agreement between His Majesty the King, represented by the Honourable the Minister of Railways and Canals of the Dominion of Canada, of the First Part, and the Canadian Pacific Railway Company, of the Second Part, dated as of the first day of January, 1927, a copy of which forms the Schedule to this Act, is hereby ratified and confirmed and declared to be valid and binding on the parties thereto in all respects whatsoever, as fully and completely as if the said agreement was set out at length and enacted in this Act, and, subject to the provisions of the *Railway Act*, the parties to the said agreement are hereby authorized and empowered to do whatever may be necessary on their respective parts to give full effect to the provisions of the said agreement.

R.S., c. 170.

Explanatory Note.

The object of this Bill is to ratify and confirm an Agreement between His Majesty the King and the Canadian Pacific Railway Company for the joint use of certain tracks and premises belonging to His Majesty at Saint John, New Brunswick, and thus validating the Agreement for a full period of 99 years from the first day of January, 1927, unless sooner terminated in accordance with the provisions of the Agreement.

SCHEDULE.

THIS AGREEMENT dated as of the First day of January, in the year of Our Lord, One thousand and nine hundred and twenty-seven,

BETWEEN

HIS MAJESTY THE KING, represented herein by the Honourable the Minister of Railways and Canals of Canada acting under and by virtue of an Order-in-Council, dated the twenty-fourth day of July A.D., 1930, hereinafter called "the Minister,"

Of the First Part,

AND

CANADIAN PACIFIC RAILWAY COMPANY, hereinafter called "the Company,"

Of the Second Part.

Recitals

WHEREAS the railway of the Company connects with that of the Minister at a point in the vicinity of Mill Street in the City of Saint John, in the Province of New Brunswick, indicated by the letter "A" on the plan which is made a part hereof and signed by the Secretaries of the parties hereto for identification;

AND WHEREAS for some time past the Company has had the benefit and enjoyment jointly with the Minister of the passenger station and passenger facilities of the Minister at the said City of Saint John;

AND WHEREAS the Company desires to continue to have the benefit and enjoyment of the said passenger station and passenger facilities as well for the passenger traffic of the Company originating at and destined to said station as for the through passenger traffic transported over the lines of the Company and the Minister;

AND WHEREAS the Minister has agreed thereto upon and subject to the terms, conditions and provisions hereinafter set forth;

AND WHEREAS it is expedient to define the terms, provisions and conditions upon and subject to which freight traffic shall be interchanged between the parties hereto at Saint John aforesaid;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the mutual covenants and agreements of the parties hereto, hereinafter contained, the parties hereto, for themselves and their respective successors and assigns, do hereby mutually covenant and agree as follows:—

Definitions.

1. That in this Agreement the following words shall, unless the context requires a different meaning, have the following meanings respectively:—

(a) The words "the Minister" or the words relative thereto, shall be deemed to refer to and include the reigning Sovereign and the Successors and Assigns of the Sovereign, and shall be also deemed to refer to and include Canadian National Railway Company, its successors amd assigns, and any other Railway Company or line of railway owned or controlled directly or indirectly by His Majesty in right of the Dominion of Canada;

(b) The words "the Company" or other words relative thereto, shall be deemed to refer to and include the party of the second part and the successors and assigns of the said party of the second part; such assigns being duly consented to under this Agreement;

(c) The words "Joint Tracks" wherever mentioned herein, shall be deemed to refer to and include the tracks of the Minister indicated in red upon the said plan, and all additional railway tracks which may from time to time be constructed by the Minister for the joint use of the parties hereto under the terms of this Agreement;

(d) The words "Joint Premises" wherever mentioned herein shall be deemed to refer to and include the Joint Tracks and the roadbed thereof, the lands now owned by the Minister shown edged in green on the said plan, the said passenger station and passenger facilities of the Minister at Saint John situate upon the said lands, or any portion thereof, and all additional lands, railway facilities and appurtenances which may, pursuant to paragraphs 6 and 7 hereof or by mutual agreement between the parties hereto be acquired, set apart, provided or constructed for the use or benefit of the parties hereto upon or under the terms of this Agreement;

(e) The word "Board" shall mean the Board of Railway Commissioners for Canada.

Joint rights.

2. The Minister shall, upon and subject to the terms and conditions herein contained and to the observance and performance thereof by the Company, permit the Company, during the continuance of this Agreement, to have its tracks connected with the tracks of the Minister at the point marked "A" on the said plan, and to use and enjoy for passenger train purposes the Joint Premises and every part

thereof jointly with the Minister and any other company or companies to which the Minister may grant similar privileges.

Connections.

3. The Minister shall, at the expense of the Company construct and maintain the connections of the Company's tracks with those of the Minister at the said point of junction marked "A" in accordance with detail plans to be approved by the Board, and shall, at the like expense, install, maintain and operate such interlocking and other protective appliances, if any, at the said junction as may be necessary (including interlocking connections within the interlocking zones on the lines of both parties hereto) and shall, at the like expense, from time to time install, maintain and operate such other appliances (including alterations in any of the then existing appliances) for the protection or maintenance of or in connection with the said junction as may be required or ordered or approved by the Board.

Telegraph and telephone lines.

4. The Minister shall likewise, upon and subject to the terms and conditions hereinafter contained, and to the observance and performance thereof by the Company, permit the Company at its own expense, to construct, operate and maintain upon the Joint Premises, the telegraph, telephone and staff system wires of the Company for railway operating and commercial purposes, and the Company shall have the right to install and maintain in the joint station such telegraph, telephone and staff system instruments and appurtenances, including connections with the said wires as may be necessary for operating and commercial purposes.

Minister to operate and maintain.

5. The Minister shall have charge, supervision and control of the Joint Premises, and the maintenance and operation thereof, and shall maintain and at all times keep the Joint Premises in good condition and repair and suitable for the business of both parties hereto, and shall do all acts and things necessary and proper for the operation thereof, and shall comply with all the regulations prescribed by law or by any duly qualified public authority with respect thereto for the safety of the public or otherwise.

Additional lands.

6. The Minister shall, from time to time, during the continuance of this Agreement, acquire and set apart for the use and benefit of the parties hereto upon and under the terms of this Agreement such lands at Saint John in addition to those edged in green upon the said plan, as in the opinion of the parties hereto may be required for the accommodation of the passenger traffic of the parties hereto, intended to be carried on and done hereunder on the Joint Premises; and the cost or determined value of such additional lands, including all expenses of and incidental to the acquisition and setting apart thereof, shall from the date of such acquisition and setting apart be added to the Capital

Account and shall bear interest as herein provided; provided that, should at any time there be any dispute or difference of opinion between the parties hereto as to the necessity or expediency of acquiring any such additional lands such dispute or difference shall be referred for settlement as provided in Paragraph 51 hereof.

Additional facilities.

7. The Minister shall from time to time during the continuance of this Agreement provide or construct upon any land which shall at such time or times be comprised in the Joint Premises, such additional railway facilities and appurtenances as in the opinion of the parties hereto may be required for the operation and handling of the passenger traffic of the parties hereto, and shall re-arrange, rebuild, alter or make such permanent improvements, additions or extensions to or substitutions for any railway facilities or appurtenances (including buildings) now or at any time hereafter comprised in the Joint Premises, as in the opinion of the parties hereto may be so required, and shall provide, make and construct such works and things in connection with the Joint Premises or any portion thereof (including grade separations of City Streets) as have been or may from time to time be ordered or required by the Board, or any other properly qualified authority, and the cost of any and all such additional railway facilities and appurtenances, permanent improvements, buildings, and re-buildings, alterations (not in the nature of repairs), extensions, additions, substitutions, works and things (including any proportion properly chargeable to the Joint Premises of the cost of grade separations of City Streets which may be payable by the parties hereto or either of them) shall be added to Capital Account and shall bear interest as hereinafter provided; provided that, should at any time there be any dispute or difference of opinion between the parties hereto as to the necessity or expediency of any work which either party may at any time desire to have done under the provisions of this paragraph for any of the purposes herein referred to, such dispute or difference shall be referred for settlement as provided by Paragraph 51 hereof.

Equal rights—Company to operate own trains, etc.

8. Each party hereto shall, save as hereinafter specified, have equal rights in all respects to the use and enjoyment of the Joint Premises for the handling of all traffic ordinarily handled on passenger trains and for the transaction of business ordinarily connected with a railway passenger terminal, and the Company shall operate its own trains on and over the Joint Tracks with its own engines and train crews, provided, however, that all shunting and switching service upon and over the Joint Tracks (including the switching of express cars to or from any track or tracks upon which they are loaded or unloaded, should conditions warrant the designation of any track or tracks primarily for that purpose, but excluding service incidental to the

transfer of passenger train cars to and from the tracks of the Company outside the Joint Premises and to the handling of freight traffic of the Company to and from the interchange tracks referred to in Paragraph 19 (a) hereof) shall be performed by the Minister and that the expense thereof shall be included as part of the Operating Expenses of the Joint Premises.

Joint general agent.

9. If in the future the business done on the Joint Premises will justify it, the Minister shall upon request and with the approval of the Company from time to time appoint an Agent who shall have entire control of the Station staff, the transaction of all necessary and current business of the Joint Premises and of the maintenance and operation thereof in the interest of both parties, and he shall be deemed to be a joint employee of both parties. Such agent shall be guided by economical considerations in detailed working arrangements, and shall conduct the same impartially and efficiently as if one Company's interests alone were concerned. The books, accounts and other documents of all kinds of such agent shall at all times be open to the inspection of each of the parties hereto.

Minister to make rules and regulations.

10. (a) The Minister shall from time to time make such reasonable rules and regulations for the operation of the Joint Premises as are customary among railroads;

Equality.

(b) All rules, regulations and train schedules shall be equally just, fair and non-discriminatory as between the parties hereto, and, save as herein otherwise provided, each party shall have in every respect the same rights and privileges in the transaction of its business;

Company's employees to comply.

(c) All conductors, enginemen, trainmen and other employees of the Company connected with its trains, engines and cars, shall, while in or upon the Joint Premises, be subject to the rules, regulations and orders hereinbefore referred to, and all trains, engines and cars shall move over and through the Joint Premises under and in accordance with the orders of the superintendent, dispatchers and other officers of the Minister having authority in that behalf in matters relating to the movement of trains, or in any way affecting the safe and proper working of the Joint Premises;

Minister to employ.

(d) Save as herein otherwise provided, the Minister shall employ all persons necessary for the operation of the Joint Premises including the selling of tickets, the checking and handling of baggage and the handling of telegraph messages for operating and commercial purposes. The Company shall have the right to be consulted in reference to the number of persons employed under this clause, and their rates of remuneration. The Minister shall require all such

Neutrality.

employees to be neutral in the performance of their duties as between the parties hereto, and to do the business of the Company without discrimination. Such employees shall

not solicit business or recommend the routing of passengers for either party, but shall in all respects act with entire impartiality between the parties hereto;

Salaries and dismissal.

(e) The Minister shall carry on his rolls and pay the total salaries and wages of all employees referred to in Clause (d) of this paragraph. Upon request in writing of the Company for good cause shown, the Minister will remove from employment in and about the Joint Premises any such employee who may be unsatisfactory to the Company.

Train schedules.

11. Schedules showing the times for the arrival and departure of trains over and upon the Joint Tracks shall be made from time to time by joint action of the proper officers of the parties hereto. In the event of any dispute or inability on the part of such officers to arrange and agree upon said schedules, or as to the speed of any trains in their movement in or through the Joint Premises, any question so arising shall, if an arrangement cannot be reached, be referred for settlement as provided by Paragraph 51 hereof.

Forms—advertising.

12. The Company shall, at its own expense, provide and supply the passenger tickets, baggage checks, telegraph forms and other forms and stationery required for its own business, and shall at its own expense do its own advertising, including the advertising of its train service. It is understood that the Company may advertise its train service and other notices in the passenger station in the same manner as similar advertising of the Minister;

Ticket and telegraph offices.

PROVIDED, that should the Company at any time or times so elect, it shall be entitled to separate ticket and telegraph offices, to be operated by itself and suitable accommodation shall thereupon be provided, but in that event each party shall pay the salary of its ticket sellers and telegraph operators.

Express business.

13. The express business of the parties hereto and of any express company whose traffic may be carried on the trains of either of them shall be handled by the employees of the party upon whose trains such traffic is carried, or of the express company forwarding such traffic, and suitable space shall from time to time be provided therefor in or near the passenger station, the location and character of such space to be equal in convenience and importance and relative in area as between the parties hereto, due regard being had to the volume of express traffic handled to and from the trains of each party. In the event of express business being handled by joint employees, the party upon whose trains such express traffic is carried shall as between the parties hereto be responsible for the payment of such employees for such services in respect of the express traffic so carried on its trains, and shall make its own arrangements with the express company forwarding such traffic in regard to such payment.

Custody of money.

14. All employees or agents collecting or receiving money, and so far as the custody of any moneys or revenues or effects is concerned, shall be deemed the sole and separate employees of the party for which they handle and receive the same and shall report and remit directly to such party who may bond them or require them to furnish bonds. Neither party hereto shall be liable to the other party on account of the handling of money, revenue or effects by any such employee, or on account of the embezzlement, theft or loss of such money, revenue or effects.

Joint employees.

15. All employees of the Minister engaged in maintaining repairing or operating the Joint Premises, or in dispatching, giving orders for or directing the movement of trains, cars or engines thereon, or in the performance of any other service for the common benefit of the parties hereto, including crew of joint switching engine, and enginemen and trainmen of any work train while upon the Joint Premises, shall, while engaged in such work, be deemed for the purposes of this Agreement joint employees of the parties hereto, but, if any persons above mentioned or referred to are engaged partly in the maintenance, repair or operation of the Joint Premises and partly in service not connected therewith, then and in such case they shall be considered as joint employees only when engaged in any work for the joint use and benefit of the parties hereto in connection with the Joint Premises.

Wrecks.

16. In the event of any engine, train or car of the Company being wrecked while upon the Joint Premises, the wreck shall be picked up at once and removed by the Minister, and the Company, except as herein otherwise provided, shall pay to the Minister the whole cost and expense of and incidental to such service.

Interchange of passenger traffic.

17. The interchange of through passengers and cars handled in passenger trains over the railways of the Minister and the Company via Saint John shall take place on the Joint Tracks. Such cars and passengers or other traffic carried therein shall, after they have arrived at the joint station and the road engine of the incoming train has been detached therefrom, be deemed to be the cars, passengers and traffic, as the case may be, of the railway over which they are to be carried from such station. Through passengers changing cars shall be deemed to be the passengers of the railway over which they are to travel from the said station after they have safely alighted from the incoming train. Through baggage or other traffic handled in passenger trains unloaded at the joint station from a train of one party for furtherance via the line of the other party shall be deemed to be the baggage or other traffic of such other party after it is unloaded and a record of it is taken by the station staff. Such record shall be conclusive as between the parties hereto.

Coach yard facilities.

18. The Minister will assign to the Company for its exclusive use for the purpose of car cleaning, car inspection and light repairs, adequate and suitable space on the Joint Tracks, together with adequate and suitable space in an adjoining building on the Joint Premises for storing supplies and car foreman's office.

Interchange track.

19. (a) In addition to the rights and privileges granted by the Minister to the Company as herein provided, the Minister shall from time to time set apart on a reasonably convenient location, not further east than the so-called Island Yard, trackage having a car capacity of four thousand feet and the turnouts connected therewith, for the use of the Company as interchange tracks in conjunction with trackage of the same extent which shall be set apart by the Minister for his own use as interchange tracks for the purpose of interchanging freight cars and traffic between their respective lines of railway, and in addition to the other payments to be made by the Company to the Minister hereunder, the Company shall pay to the Minister the sum of Two thousand, five hundred and seventy-nine Dollars and fifty-two Cents ($2,579.52) per annum, for the use of the interchange trackage and turnouts set apart for the use of the Company under this paragraph, such payment to be made at the same time and in the same manner as payments of interest under the provisions of Paragraph 46 (a) hereof, and the Company shall also pay to the Minister the whole cost of the maintenance of such trackage and turnouts, which latter payments shall be made at the same times and in the same manner as payments on account of Operating Expenses under Paragraph 46 (c) hereof.

Repair Track.

(b) The Minister shall also set apart for the exclusive use of the Company, during the pleasure of the Minister, as a place for repairing cars, the land shown enclosed in yellow lines on the said plan upon which there is now a building shown hatched in yellow owned by the Company, together with the track shown coloured yellow, or other land and track of equal area or capacity, and equal convenience, and the Company shall pay to the Minister the sum of Three hundred and ninety Dollars and twenty-four Cents ($390.24) per annum by way of compensation for the use of the said siding and site, such payments to be made at the same time and in the same manner as payments of interest under the provisions of Paragraph 46 (a) hereof. The Minister will repair and maintain the said tracks at the expense of the Company.

Provided and it is hereby agreed that the Company shall have the right to withdraw from the use of the interchange tracks and/or repair track referred to in this Paragraph 19 at the end of any calendar year upon giving sixty (60) days'

previous notice in writing of its desire to exercise such right, and in that event, all payments by the Company in respect of the use, repair and maintenance of the said interchange tracks and/or repair track shall thereupon cease and determine. Any expense incurred in removing the repair track shall be paid by the Company.

Transfer of freight traffic.

20. (a) The Company shall perform the transfer service required in the handling of freight cars and traffic interchanged between the parties hereto over the tracks of the Minister, between the connection with the Company's tracks and the interchange tracks referred to in Paragraph 19 (a) hereof, and the Minister hereby grants to the Company joint and equal rights with the Minister to operate its engines and cars over such tracks as shall be necessary in order to reach the said interchange tracks but the Company shall not be required to pay any additional compensation for the rights so granted.

Switching rates.

(b) The Minister will perform the necessary switching service in respect of the undermentioned movements of cars of all classes, passenger or freight, both loaded and empty, including cars requiring repairs and cars of coal and other materials and supplies which the Company may desire to have switched, at the following rates:

(1) Five Dollars ($5.00) for the turning of each car.

(2) (i) One Dollar and seventy-five Cents ($1.75) for the switching of each car from the West End of the interchange tracks to the Company's repair track;

(ii) Two Dollars and fifty Cents ($2.50) for the switching of each car from the East End of the interchange tracks to the Company's repair track;

(iii) One Dollar and seventy-five Cents ($1.75) for the switching of each car from the Company's repair track to the West End of the interchange tracks.

(3) Three Dollars ($3.00) for the switching of each car in either direction between the coach yard and the Company's repair track.

(4) One Dollar ($1.00) for the switching of each car in either direction between the interchange tracks and the coach yard.

Transfer of passenger cars.

(c) If the Company should find it expedient at any time to transfer passenger cars to or from the Joint Premises such cars may be either placed or lifted by the transfer train upon or from the passenger station tracks (at any time when such movement will not in the opinion of the Minister interfere with passenger train operation) or upon or from the interchange tracks. Such cars when placed or lifted from the passenger station tracks, shall be counted in the

wheelage as though they had arrived at or departed from the Joint Premises in regular passenger trains of the Company, but any such cars, when placed or lifted from the interchange tracks will not be counted in the wheelage, and the Company will in such latter case pay to the Minister the appropriate rates mentioned in the next preceding Clause (b) for the switching of such cars between the interchange tracks and the coach yard or repair track as the case may be. Provided, however, that the charges mentioned in Clause (b) of this paragraph shall be subject to revision at any time upon the request of either party hereto on giving sixty (60) days' notice to the other party.

Inter-switching.

21. The Minister shall perform all switching services between all private sidings and wharf tracks connecting with the railway of the Minister in or near the City of Saint John aforesaid and the interchange tracks referred to in Paragraph 19 (a) hereof, in connection with all traffic originating at or destined to such private sidings or wharf tracks and routed via the line of the Company, at the regular interswitching rates provided from time to time under proper authority.

Interchange.

22. Interchange of all cars between the Company and the railway of the Minister on the Joint Tracks and the Interchange Tracks above referred to shall be subject to the American Railway Association Code of per diem rules and the rates from time to time determined by such rules, or to such other rules and rates as may by agreement of the duly authorized officials of the parties hereto be substituted therefor.

Damage on, by, and to trains.

23. Save as herein otherwise provided, each of the parties hereto shall as between themselves be responsible for all loss, damage or injury to person or property which may occur on its engines, cars or trains, for all such loss, damage or injury which may be caused by its engines, cars or trains (including damage by fire originating therefrom) whether or not the condition or arrangement of the Joint Premises or lands owned or leased by the Minister contributes in any manner or to any extent to such loss, damage or injury, and for all damage to its engines, cars or trains while on the Joint Premises, except in the case of collision, in which event the provisions of Paragraph 25 shall apply, and in the case of injury to or death of joint employees, in which event the provisions of Paragraph 26 shall apply. Provided, however, that under this paragraph neither party shall be liable to reimburse the other for any amount paid by way of compensation for injury to or death of any sole employee of such other party save only when such injury or death is due to the negligence of a sole employee or employees of such first mentioned party.

Exceptions.

Injuries to persons on joint premises.

24. When any loss, damage or injury, of whatsoever nature, other than such as is referred to in the next preceding Paragraph hereof, is occasioned to any person who as a passenger or otherwise is lawfully upon the Joint Premises by reason either directly or indirectly of the fact that the Joint Premises or any part thereof is being used by one of the parties hereto for the purpose of handling its traffic, all responsibility for such loss, damage or injury shall, as between the parties hereto be assumed and borne by such party.

Collisions.

25. The parties hereto expressly covenant and agree each with the other that in case of a collision between their respective engines, cars or trains in or upon the Joint Premises, the party whose sole employee or employees is or are alone at fault, or whose sole employee or employees together with a joint employee or employees is or are alone at fault, shall be solely responsible for and shall settle and pay all claims arising by reason thereof, and all loss and damage caused thereby, and shall indemnify and save the other party harmless therefrom, and in case any such collision is caused by the fault of sole employees of both of said parties or solely by the fault of any joint employee or employees of the said parties, or in case the cause of collision is so concealed that it cannot be determined whose employee or employees were at fault, each of said parties shall bear and pay all loss, damage and injury which its own property, or property in its custody, or its passengers or its employees or others claiming through them may have suffered by reason or in consequence thereof, and a share of all damage to property jointly used hereunder apportioned in accordance with the provisions of Paragraph 46 (c) hereof.

Injuries to joint employees.

26. All claims or suits or liabilities arising under any statute for the protection or compensation of workmen growing out of injury to or death of any joint employee, and all claims or suits or liabilities arising out of the loss of or damage to property of any joint employee in or on the Joint Premises shall be settled and paid in the first instance by the Minister. If such injury, death, loss or damage is caused by the negligence of a sole employee or employees of the Minister either alone or in conjunction with that of a joint employee or employees, no claim shall be made therefor against the Company. If such injury, death, loss or damage is caused by the negligence of a sole employee or employees of the Company either alone or in conjunction with a joint employee or employees, the Minister shall forthwith render account to the Company for the full amount paid in settlement of such claim, suit or liability, and the Company shall pay to the Minister the amount of such account within thirty (30) days, after the receipt thereof. If such injury, death, loss or damage is caused accidentally or by the joint

negligence of sole employees of both parties hereto, or by the sole negligence of joint employees, or in case the cause of the injury, death, loss or damage cannot be determined, the Minister, shall include the amount paid in settlement of such suits or claims in the Operating Expenses and the same shall be apportioned and borne by the parties hereto in accordance with the provisions of Paragraph 46 (c) hereof.

Other claims.

27. In any case where loss, damage or injury has resulted to any person or property and such loss, damage or injury does not fall within the provisions of Paragraphs 23, 24, 25 or 26 hereof, or responsibility therefor cannot be satisfactorily determined, then and in all and each of such cases the damages and costs or either and all loss thereby caused shall be charged to Operating Expenses and apportioned in accordance with the provisions of Paragraph 46 (*c*) hereof.

Indemnity.

28. Each party hereto covenants and agrees that it will forever indemnify and save harmless the other party, its successors and assigns, from and against all claims, liabilities or judgments by reason or on account of any injury to or death of any person or of any loss or damage to property, the liability for which is herein assumed by such first mentioned party, and such first mentioned party agrees to pay, satisfy and discharge any judgment that may be obtained by reason thereof, and all costs, charges and expenses payable thereunder.

Defence of suits.

29. In case a suit or suits shall be commenced by any person or corporation against either party hereto, for or on account of any loss, damage or injury for which the other party hereto is liable under the provisions of this Agreement, the party so sued shall give to the other party reasonable notice in writing of the pendency of such suit, and thereupon the other party shall assume the defence of such suit and shall save and hold the party so sued harmless from all loss and costs by reason thereof. Neither party hereto shall be bound by any judgment against the other party unless it shall have had reasonable notice that it was required to defend and has reasonable opportunity to make such defence. When such notice and opportunity have been given the party notified shall be bound by the judgment as to all matters that could have been litigated in such suit.

Business interruptions.

30. Neither party hereto shall under any circumstances have any cause of action against the other for loss or damage of any kind caused by or resulting from interruption or delay to its business.

Settlement of claims.

31. The parties shall settle, as between themselves, any claim for loss or damage according to the terms of this Agreement notwithstanding any judgment or decree of any court or other tribunal in a proceeding brought by other parties.

Proceedings in case of dispute.

32. In case the parties cannot agree under which of the provisions of this Agreement the loss, damage, injury or expense hereinbefore referred to shall be assumed, charged or borne, the question as to how the said loss, damage, injury or expense was occasioned shall be referred for settlement in the manner provided in Paragraph 51 hereof, and in all such cases the award upon such reference shall be final in determining the question in dispute and shall prevail over any contrary finding of a court or jury in an action instituted by any third person or company and in which both parties hereto are not represented; provided, however, that if both parties are represented the finding of such court or jury shall prevail.

Application of liability clauses to third companies.

33. The Minister shall, in the event of his admitting any other company to the use of the Joint Premises, or any part thereof, insert or cause to be inserted in any agreement admitting such other company or companies, the provisions of the foregoing Paragraphs 15 and 23 to 32 inclusive, respecting joint employees and liability for loss, damage and injury, for the benefit of the Company when similar circumstances arise between the Company and any such other company or companies, and such agreement with any such other company shall be construed as if it were signed by all the railway companies at one time in the joint use of the Joint Premises or any part thereof.

Fire loss—Replacement.

34. If and as often as any of the buildings or other property forming part of the Joint Premises be destroyed in whole or in part by fire or other casualty, the same shall be rebuilt or replaced without delay, either according to its former design or such other design, if any, as the parties hereto may agree upon, and such portion of the cost of so doing as is properly chargeable to Maintenance and Operation, less the amount of the insurance, if any, which may be received in respect of the damage or destruction thereof, shall be included in the account of Maintenance and Operation, and shall be apportioned between the parties hereto as provided by Paragraph 46 (*c*) hereof, and the balance of such cost shall be included in the Capital Account, of the interest on which the Company shall bear an equal share, as provided in Paragraph 46 (*a*) hereof.

Failure to insure.

35. Provided, and it is understood and agreed, that while it is the intention of the Minister to insure and keep insured in accordance with his usual practice, either in his own Insurance Fund or with an Insurance Company or Companies, during the continuance of this Agreement, against loss by fire, the buildings and other property forming part of the Joint Premises, for such amounts from time to time as will in the opinion of his Insurance Commissioner reasonably protect the same against loss, no liability of any kind shall rest upon the Minister if such intention to insure

and keep insured is not carried out, whether by reason of negligence or omission on the part of the Minister, his Insurance Commissioner, or otherwise, or by reason of breach of conditions of any policy or contract of insurance which would void the same or give the Insurance Company a defence to any action upon the policy or contract.

Insurance of separate property.

36. Neither party shall be required or be liable to insure any property of the other party, nor shall the Operating Expenses of the Joint Premises include any outlay on account of insurance of the cars, rolling stock, engines or other property of any kind of either party or which may be in its charge except switch engines which may be used in joint service.

Admission of other railways.

37. It is understood and agreed that neither this Agreement nor anything herein contained shall in any way limit the right of the Minister to grant to any other railway company or companies upon such terms as the Minister may deem proper privileges in respect of the Joint Premises or any part thereof similar to those hereby given to the Company; provided, however, that upon the admission of any other railway company or companies to the use or benefit of the Joint Premises, or any portion thereof, in conjunction with the Minister and the Company, there shall for the purpose of meeting the altered conditions, be an equitable readjustment of the terms and provisions of this Agreement, including a readjustment of the payments to be made by the Company for the use and enjoyment of the Joint Premises as herein provided (due regard being had to the extent of the use and benefit of the Joint Premises by the several companies using the same). In the event of the parties hereto being unable to agree upon a proper readjustment of any or all of such terms and provisions, the same shall be referred to the Board for settlement, and the settlement and determination of the Board in respect thereof shall be final and binding upon the parties hereto; and the terms and provisions so agreed upon or so settled and determined shall thereafter constitute the agreement between the parties in respect of the matters covered thereby as fully as if the same were set out herein and formed a part of this Agreement. It is further understood that upon readjustment (if any) of rentals under the provisions of this paragraph, the rental payable by the Company based upon the value of the lands comprised in the Joint Premises is not to be increased or decreased by reason of any increased or decreased value in such lands after the date of this Agreement, nor is the Company upon any such readjustment to have the benefit of any increase in the value of such lands, it being the intention that upon any such readjustment the Minister alone is to obtain the benefit of any increase which may take place in the value of such lands, and of any rental payable by any admitted company in respect of any increased value.

Assignment of Company's rights.

38. The Company shall not without the consent in writing of the Minister, assign or transfer any right or interest under this Agreement, or give or assume to give to any other company or person any right or interest upon or in respect of the Joint Premises or any part thereof; and any assignment, transfer or other instrument contrary to the provisions of this paragraph shall be void and of no effect; provided, however, that an amalgamation with another company shall not be deemed an assignment or transfer contrary to this paragraph, and the amalgamated company as successor by amalgamation shall possess all the rights of its predecessor under this Agreement; provided, further, that nothing herein contained shall be construed to confine or restrict the use and enjoyment of the Joint Premises by the Company to the operation of the lines now owned, leased, operated, controlled (by stock ownership or otherwise), or managed by that company, but the term "the Company" shall be deemed to extend to and include all such lines as may from time to time be properly so described.

Leases to outside parties.

39. Any lease to any outside party of any portion of the Joint Premises, for exclusive occupation by such outside party shall be by and in the name of the Minister, as Lessor for the benefit of the parties to these presents, and the rentals and other payments arising therefrom shall be credited in their proper proportions to (*a*) interest on Capital Account, and (b) the Maintenance and Operation Account, hereinafter provided for, and the parties hereto shall benefit thereby accordingly, and the responsibility for collecting such rentals shall be with the Minister; provided, that no such lease shall be made of any portion of the Joint Premises which shall at the time be required for the use of the parties hereto, or either of them, under this Agreement.

Exclusive occupation by one party.

40. In the event of either of the parties hereto occupying any portion of the Joint Premises for its own exclusive use, otherwise than as specifically provided for in this Agreement, such party shall be charged for such portion of the Joint Premises a rental to be agreed upon between the parties hereto, or, in default of agreement, to be determined under the provisions of Paragraph 51 hereof, and such rental shall be credited in its proper proportions to (a) interest on Capital Account and (b) the Maintenance and Operation Account, hereinafter provided for, and the parties hereto shall benefit thereby accordingly.

Privileges.

41. All facilities and privileges such as refreshment room, parcel room, news stand and telephone booths, pay toilets, shoe stand, vending machines and the like, shall with the approval of the Company, be either operated directly by the Minister or leased by him to outside parties. In the former event the net revenue derived from such operation shall be credited to the Maintenance and Operation Account of the

Joint Premises. In the latter event all rentals derived from such leases shall be credited in their proper proportions to (a) interest on Capital Account and (b) the Maintenance and Operation Account, hereinafter provided for, and the parties hereto shall benefit thereby accordingly.

Per diem.

42. The Minister shall not pay or be liable for any mileage or other compensation for or in respect of any engine or car brought upon the Joint Premises by the Company in connection with its business, but the Company shall as between the parties hereto pay and be liable for and hereby covenants to indemnify the Minister against any claim or claims for any such mileage or other compensation for or in respect of such engines or cars.

Capital account.

43. The Minister shall keep a Capital Account, to which shall be charged the sum of One Million, two hundred and eighteen thousand, three hundred and eighty-two Dollars and forty-one Cents ($1,218,382.41) which, for the purposes hereof is agreed upon as the value of the Joint Premises as of the First day of January, 1927, and any expenditure incurred after said date in acquiring additional lands and in providing, making and constructing additional railway facilities and appurtenances, permanent improvements, buildings, alterations, extensions, additions, substitutions, works and things which may be acquired, provided, made or constructed under the provisions of Paragraphs 6 and 7 hereof respectively, and generally all such other sums (if any) not herein specified as are properly chargeable to Capital as distinguished from Maintenance Account.

Maintenance and operation accounts.

44. The Minister shall also keep one or more accounts of the expense from time to time incurred in the maintenance and operation of the Joint Premises or of the various parts thereof in case it be for any purpose subdivided, including the track connections and interlocking appliances at the junction with the line of the Company at the point marked "A" on the plan hereto. Such expenses shall consist of and include office and management expenses, salaries and wages of officers and employees, legal and other like expenses, supplies, charges for the use of switching engines and supplies therefor, maintenance and repairs and upkeep generally, including repairs and upkeep of station and other structures and also all culverts, ditches and fencing, furniture and equipment, taxes, if any, (whether or not the Company enjoys any exemption from taxes by statute or otherwise) lighting, heating, water supply, compensation for loss, damage or injury, which is to be borne jointly by the parties hereto under Paragraphs 25, 26 and 27 hereof, the cost of compliance by either of the parties hereto with any order of the Board or other duly qualified authority, respecting the maintenance and operation of the Joint

Premises, or any portion thereof, and generally all such other expenses, if any, as are usually chargeable to Maintenance and Operation as distinct from Capital Account.

Percentages for supervision, etc.

45. It is understood that in the cost of carrying out any work or the performance of any service whether on Capital Account or Maintenance and Operation Account, there shall be included in addition to the actual cost, a charge of ten per cent (10%) on labour for supervision and fifteen per cent (15%) on materials and supplies, other than coal, for handling, and that, when any materials or supplies other than coal, are furnished by the Minister to the Company the charge therefor shall include, in addition to the actual cost, fifteen per cent (15%) for handling, which additional charges are agreed upon as reasonable for the purposes mentioned, but may be varied from time to time by joint action of the Accounting Officers of the parties hereto.

Payments—Wheelage, etc.

46. The Company shall, in addition to all other payments herein provided for, pay to the Minister monthly during the continuance of this Agreement by way of rental or compensation for its use and enjoyment of the Joint Premises and as its share of the cost of maintenance and operation thereof, the amounts hereinafter mentioned and referred to, that is to say:—

(a) One-half of interest at the rate of four and one-half per cent (4½%) per annum upon the amount from time to time standing at the debit of Capital Account, together with one-half of any rentals paid for the use of leased property added to the Joint Premises under the provisions of Paragraphs 6 and/or 7 hereof;

(b) One-half of all sums paid by the Minister by way of premiums on any insurance effected under Paragraph 35 hereof, and one-half the premiums at the same respective rates on all sums carried by the Minister in his own Insurance Fund;

(c) Save as otherwise herein specifically provided, such proportion of the cost and expense of the maintenance and operation of the Joint Premises, except car repair, inspection and cleaning expenses, as the number of passenger engines and passenger train cars of the Company arriving at and departing from the Joint Premises shall bear to the total number of passenger engines and passenger train cars arriving at and departing from the Joint Premises;

Provided, and it is understood and agreed, that except on terms which may be mutually agreed upon only such cars as are counted in arriving at the wheelage proportions referred to in this Clause (c) shall be heated at the car heating plant;

Provided further, and it is understood and agreed, that in computing the wheelage hereunder, each engine and each passenger train car, whether loaded or empty, will be counted once on arriving at and once on departing from the

Joint Premises; and that no count shall be taken of passenger engines moving in either direction between the station and roundhouse of either party, or of empty passenger train cars moving in either direction between the coach yard and repair or interchange tracks or for the purpose of being turned, or of engines used to assist trains out of the station, or of engines and passenger or freight cars in the transfer service between the Company's tracks and the interchange tracks above referred to, or of switching engines;

Provided further, and it is understood and agreed, that the Minister while he makes use of the Joint Tracks for handling his freight traffic to and from freight sheds, wharves, team tracks and other tracks, shall assume exclusively such proportion of the expense of maintenance of the Joint Tracks as shall from time to time be agreed upon by the Accounting Officers of the parties hereto.

Rendering of accounts.

47. The Minister shall, as soon after the first of each month as reasonably possible, render to the Company a full and detailed statement showing the amounts payable by that Company for the preceding month by way of or on account of interest on Capital Account, insurance and expenses of maintenance and operation and otherwise as aforesaid, and within thirty (30) days after the rendering of any such statement, the Company shall pay to the Minister at his office in Moncton the amount shown by such statement as payable by the Company pursuant to the terms of this Agreement.

Inspection of books.

48. From time to time and at all times during the continuance of this Agreement the Minister will allow proper inspection by the Company of all books, accounts, returns and vouchers for the purpose of checking or verifying any account or accounts rendered by the Minister to the Company in pursuance of this Agreement, and the Company shall have the right from time to time to employ an auditor or auditors to investigate the accuracy of any such account or accounts, and the Minister shall from time to time afford all proper facilities for such investigation; and neither the acceptance of any such account or accounts nor the payment thereof by the Company shall prejudice its rights to an audit or verification; and if upon any such audit or verification, or at any time it shall be found that the Company has paid to the Minister any sum or sums of money it was not liable to pay under the provisions of this Agreement, it shall be entitled to demand and collect the same from the Minister, and the Minister shall refund the same, provided, however, that such right of inspection in respect of maintenance and operation charges shall be exercisable only within one year after the rendering of the account or accounts sought to be checked or verified, and any account not found to be incorrect within such period

of one year shall not thereafter be subject to objection or change, and provided further that the Minister shall not in any account make any charge in respect of any service performed or material furnished hereunder in connection with maintenance and operation prior to the period of one year before the rendering of such account, unless notice be given in respect of such adjustment before expiry of that period.

Termination on default.

49. Should the Company fail to make any payment which it is obliged by this Agreement to make when the same is due, or fail in any other respect to perform any of the obligations on its part to be performed hereunder, and such default shall continue for six months after notice in writing of such default shall have been given by the Minister to the Company, the Minister may at his election forthwith declare this Agreement terminated, and exclude the Company from all use of the Joint Premises, but this shall not be construed as preventing the Minister from recovering from the Company any moneys payable under the terms hereof; provided, however, that in any case in which any difference shall be submitted for settlement and determination by the Board under the provisions of Paragraph 51 hereof in respect of the particular failure by reason of which it is sought to exercise such right of termination and exclusion hereunder, then the interval between the service of notice of intention to refer and the rendering of the Board's decision shall not in respect of such particular failure be deemed to be included in the period of six (6) months above referred to; provided, further, that nothing herein contained shall relieve the Company of its obligation to pay the moneys payable by it hereunder at the times and in the manner hereinbefore provided for, and, if such difference in any particular case be as to amount payable by the Company, the Company shall nevertheless pay to the Minister the amount alleged by the Minister to be owing, but shall be entitled to recover back any excess which the Board may find to have been paid by it.

Carrying out of agreement.

50. Each of the parties hereto agrees to carry out and give effect to this Agreement in the most liberal and reasonable manner, and to operate its business on the Joint Premises so as to facilitate the business of the other party to the fullest extent compatible with safety and the convenient operation of the business of both parties.

Settlement of disputes.

51. In case any dispute or difference arises between the parties hereto in respect of any matter in this Agreement mentioned, a settlement whereof is not otherwise herein provided for, it is mutually agreed by the parties hereto that the matter which may at any time be the subject of controversy shall be promptly referred to and determined by the Board, whose decision shall be final and binding upon the parties hereto.

Service of notices.

52. All notices to be given under this Agreement shall be in writing, and may be served either personally or by mailing them, postage prepaid and registered, to the Secretary of the Department of Railways and Canals at Ottawa, Ontario, and to the Secretary of the Company at Montreal, Quebec, as case may be.

Duration.

53. This Agreement shall, subject to the sooner termination thereof herein provided, continue in force for a period of twenty (20) years from the date hereof, provided, however, that His Majesty will introduce and will use all lawful means to procure the passage by Parliament of the necessary legislation to confirm and ratify this Agreement and make it effective during the term of ninety-nine (99) years from the date hereof, and when so ratified and confirmed this Agreement shall be and continue in force for the said term of ninety-nine (99) years from the date hereof.

Covenants.

54. Wherever in this Agreement it is stipulated that anything shall be done or performed by either of the parties, it shall be assumed that such party has thereby entered into a covenant with the other party to do or perform the same, and that such covenant is entered into not only by, for or on behalf of the parties hereto, but is also entered into by and on behalf of their respective successors and assigns.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto.

V. I. SMART,

DEPUTY MINISTER OF RAILWAYS AND CANALS

As to execution by the Minister C. P. Buckley.

J. W. PUGSLEY, [L.S..]
Secretary.

CANADIAN PACIFIC RAILWAY COMPANY

GRANT HALL,
Vice-President.
[L.S..]

H. C. OSWALD,
Assistant Secretary.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 24.

An Act to ratify and confirm an agreement made between The Canadian Northern Ontario Railway Company and The Campbellford, Lake Ontario and Western Railway Company.

First Reading, March 5, 1934.

The MINISTER OF RAILWAYS AND CANALS.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74302 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 24.

An Act to ratify and confirm an agreement made between The Canadian Northern Ontario Railway Company and The Campbellford, Lake Ontario and Western Railway Company.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Agreement ratified.

1. The Agreement between The Canadian Northern Ontario Railway Company, of the First Part, and The Campbellford, Lake Ontario and Western Railway Company, of the Second Part, dated as of the first day of May, 1912, a copy of which forms the Schedule to this Act, is hereby ratified and confirmed and declared to be valid and binding on the parties thereto in all respects whatsoever, as fully and completely as if the said agreement was set out at length and enacted in this Act, and, subject to the provisions of the *Railway Act*, the parties to the said agreement are hereby authorized and empowered to do whatever may be necessary on their respective parts to give full effect to the provisions of the said agreement.

R.S., c. 170.

EXPLANATORY NOTE.

The object of this Bill is to ratify and confirm an Agreement between The Canadian Northern Ontario Railway Company and The Campbellford, Lake Ontario and Western Railway Company for the joint use of certain tracks and premises of The Canadian Northern Ontario Railway Company at Belleville, Ontario, and thus validating the Agreement for the full period of 999 years from the first day of June, 1914, unless sooner terminated in accordance with the provisions of the Agreement.

SCHEDULE.

THIS AGREEMENT made in duplicate as of this first day of May, One thousand nine hundred and twelve,

BETWEEN:

THE CANADIAN NORTHERN ONTARIO RAILWAY COMPANY, hereinafter called "The Northern Company,"

of the First Part,

AND

THE CAMPBELLFORD, LAKE ONTARIO AND WESTERN RAILWAY COMPANY, hereinafter called "The Campbellford Company,"

of the Second Part.

Recitals.

WHEREAS the Northern Company has constructed a line of railway from a point in lot nine (9), concession Broken Front, Township of Thurlow, County of Hastings, Province of Ontario, said point being marked "C" on the plan which is made a part hereof and signed by the parties hereto for identification, thence in a westerly direction as shown on said plan a distance of 3·7 miles through parts of the Township of Thurlow, City of Belleville and Township of Sidney, all in said County, to a point in lot thirty-two (32), concession one (1), Township of Sidney, marked "N" on said plan, in accordance with a location plan duly approved by the Board of Railway Commissioners for Canada, including a single track bridge across the Moira River, and for that purpose has acquired or is acquiring the necessary lands for right of way and station grounds as shown coloured red and green and edged with dash lines on the said plan.

AND WHEREAS the Northern Company has constructed a passenger station and established passenger facilities in the said City, upon the location shown in yellow on the said plan;

AND WHEREAS, in order to avoid as far as possible the duplication of railway lines through the said City, the Campbellford Company desires to acquire certain portions of the said lands and to have the use and benefit, jointly and equally with the Northern Company, of certain other portions and of the passenger station premises and facilities and of certain portions of the lines and tracks of the Northern Company in the said City for the construction and operation of the railway which the Campbellford Company is about to construct through the said City;

AND WHEREAS the Northern Company has agreed thereto, upon and subject to the terms, conditions and provisions hereinafter contained;

THEREFORE the parties hereto do hereby mutually covenant and agree as follows, that is to say:—

Campbellford Company to purchase lands, tracks and telegraph lines.

1. The Northern Company will sell to the Campbellford Company, and the Campbellford Company will purchase from the Northern Company, all those portions of the said lands shown coloured green upon the said plan, together with the lines of railway and telegraph lines (if any) constructed thereon, and the single track bridge constructed by the Northern Company across the Moira River, as shown on the said plan, for and in consideration of the payment by the Campbellford Company to the Northern Company of the sum of Fifty-two Thousand One Hundred and Ninety-six Dollars and Seventy-three Cents ($52,196.73), which is fixed as the value of the lands, lines of railway and telegraph lines and bridge so to be purchased by the Campbellford Company, exclusive of the lines of railway and telegraph lines and bridge in place of which the Campbellford Company is to construct new lines of railway and telegraph lines and a new bridge as hereinafter provided. The Campbellford Company shall also bear any taxes on the lands to be so transferred, pending transfer of titles to the Campbellford Company, as well as interest at four and one-half per centum (4½%) per annum on the value of the land until payment therefor is made.

Northern Company shall convey.

2. The lands, lines of railway and telegraph lines and bridge referred to in Paragraph 1 hereof shall be conveyed by the Northern Company to the Campbellford Company by a good and sufficient deed or deeds in fee simple with the usual statutory covenants, free from dower and all encumbrances, which deed or deeds shall be submitted to the Campbellford Company for approval and shall be delivered as soon as possible after the payment of the purchase price herein mentioned.

Campbellford Company to construct.

3. In substitution for the lines of railway and telegraph lines and bridge which are to be conveyed by the Northern Company to the Campbellford Company, as provided by Paragraph 2 hereof, the Campbellford Company shall construct for the Northern Company:—

(a) A single track line of railway to the south of, parallel to and at twenty-six foot centres with that portion of the said line of railway so to be conveyed, extending from the point marked "A", about two hundred feet east of the easterly limit of George Street to the point marked "B" at the westerly limit of Macdonald Avenue, together with a suitable connection with the existing line of railway of the Northern Company between the points marked "B" and "C" on the said plan;

(b) A single track line of railway, including a single track bridge crossing the Moira River to the south of, parallel to and at twenty-six foot centres with that portion of the line of railway and bridge so to be conveyed,

extending from the point marked "D" at the easterly end of the said bridge to the point marked "E" at the westerly end of the said bridge, together with a suitable connection with the existing line of railway of the Northern Company between the points marked "E" and "H", all as shown on the said plan; the lines of railway, bridge and connections referred to in this Parqgraph, to be constructed all in accordance with the said plan and to be of equal standard with the lines of railway and bridge so to be conveyed;

(c) Telegraph lines (equal in all respects to the telegraph lines so to be conveyed) along the southerly side of the lines of railway to be constructed hereunder and across the said river, also from the point marked "H" to the point marked "N", the exact location of such telegraph lines to be designated by the Engineer of the Northern Company; provided, however, that in lieu of constructing such telegraph line on the southerly side of the said railways between the points "C" and "A", and "D" and "N", the Campbellford Company may, at its own expense, rebuild the existing telegraph line on the northerly side of the railway, between the points "B" and "N", as indicated in brown on the plan as a joint line, for which no rental shall be chargeable against the Northern Company, the future maintenance of such joint line as to poles shall be performed to the satisfaction of the Northern Company by the Campbellford Company, and the cost thereof borne equally by the parties hereto, but each party shall maintain at its own expense and assume liability in connection with its own wires, insulators and cross-arms, it being understood that the Northern Company's employees shall be allowed access to such pole line for maintenance purposes.

Joint rights.

4. The Northern Company shall, upon and subject to the terms and conditions hereinafter contained and to the observance and performance thereof by the Campbellford Company, permit the Campbellford Company to connect, and during the continuance of this Agreement to maintain the connection of its tracks with the Joint Tracks at the points indicated thereon by the letters "A" and "D" and to operate its trains over the Joint Tracks and to have the benefit and enjoyment of the said passenger station and passenger facilities of the Northern Company at Belleville, all upon the terms and conditions hereinafter particularly set out and in conjunction with the Northern Company and any other company or companies to which the Northern Company may give similar privileges. The Joint Tracks and the roadbed thereof and a strip of land occupied thereby, as outlined in yellow upon the said plan,

the said passenger station and passenger facilities of the Northern Company and the lands occupied thereby as outlined in yellow upon the said plan, and all additional lands, railway facilities and appurtenances as may, pursuant to paragraphs 11, 12 or 14 hereof, or by mutual agreement between the parties hereto, be acquired or set apart or provided or constructed for the use or benefit of the parties hereto upon or under the terms of this Agreement, are hereinafter for the purposes of this Agreement, referred to collectively as the "Joint Premises."

Exclusive use of certain tracks.

5. For the time being and until it is found necessary or desirable to change such arrangement as hereinafter provided, the Campbellford Company will be entitled to the exclusive use of the northerly joint track, and the Northern Company will be entitled to the exclusive use of the southerly joint track, subject to the conditions hereinafter set forth:—

(a) The Campbellford Company will, at its own expense, maintain the said northerly joint track, including the northerly half of the cross-overs between the two joint tracks, and the Northern Company will, at its own expense, maintain the said southerly joint track, including the southerly half of the cross-overs between the two joint tracks, and, except as otherwise herein provided, each Company shall assume the cost of any improvements or betterments which it may see fit to make on the tracks which it is to maintain.

(b) The Northern Company will have the right to enter upon and use the said northerly joint track for the purpose of movements to and from all interchange tracks, industrial spurs and connecting tracks, now or hereafter connected with the said northerly joint track, and the Campbellford Company will, at its own expense, construct and maintain all signals or other protective devices that may be necessary, and furnish all supplies for the operation thereof, provided that if such signals or other protective devices are installed, they will be operated by the joint station staff, and if at any time additional staff is employed or the joint employees are granted a higher rate of pay or allowed extra compensation in respect to the operation of such signals or other protective devices, such additional expense will be borne exclusively by the Campbellford Company.

(c) When any passenger train of the Northern Company handled on the southerly joint track is making use of the said station, the trains of the Campbellford Company will not pull in between such train and the station, and the Campbellford Company will construct and maintain at its own expense such signals and protective devices as may be necessary to permit the joint operators to control movements of the Campbellford Company's trains into the station.

(d) The platform between the station and the southerly joint track shall be constructed and maintained as part of the Joint Premises.

(e) If at any future time the Northern Company find it necessary or desirable to have the use of the said northerly joint track for its through trains, the parties will enter into a supplementary agreement for the maintenance and operation of the Joint Tracks as a double track joint section, which agreement will provide for such changes in the rental as may be necessary on account of improvements or betterments to tracks made by either party under the provisions of Sub-paragraph *(a)* of this paragraph.

Campbellford Company may construct roadway.

6. The Northern Company shall permit the Campbellford Company to construct and maintain at its own expense a joint roadway for vehicles and pedestrians through the Joint Premises to the north of the said passenger station and the Joint Tracks from Church Street to George Street as shown on the said plan.

Northern Company may construct roadway.

7. The Campbellford Company shall, for the purpose of giving the Northern Company access to the Northern Company's flag station at the Deaf and Dumb Institute at Belleville, permit the Northern Company to construct and maintain, free of expense to the Campbellford Company, a roadway and private crossing for vehicles and pedestrians through and over the property and tracks of the Campbellford Company, as shown on the said plan at point marked "M".

Campbellford Company to operate own trains.

8. The Campbellford Company is to operate its own trains over the Joint Tracks with its own engines and train crews. It is understood that the Joint Tracks are to be used by the Campbellford Company solely for the purposes:—

(a) Of operating thereover the freight trains and the work trains of the Campbellford Company;

(b) Of switching cars to and from Interchange Tracks; and

(c) Of the operation of passenger trains of the Campbellford Company, including switching and shunting movements incidental thereto, with the privilege of stopping only at the said station for the receiving and delivering of its passenger, baggage and express traffic.

Passenger, Baggage and Express business.

9. The Northern Company is exclusively, except in respect of duties usually performed by trainmen, including train baggagemen, to perform all services in connection with the handling of all passenger and baggage traffic at the said station for both companies, such handling to include selling of tickets and the checking and handling of baggage, provided, however, that the Campbellford

Company may if it so elects at any time during the continuance of this agreement appoint its own agent for the selling of tickets and suitable space shall be provided therefor at the said station by the Northern Company upon similar terms to those hereinafter contained in relation to the handling of express business. The express business of the Campbellford Company and the Canadian Pacific Express Company is to be handled by the employees of such companies, and suitable space is to be provided therefor at the said station; the location and character of the said space to be determined by the parties hereto, but to be relatively equal to the space to be provided for the like purpose for the Northern Company or the Canadian Northern Express Company, due regard being had to the volume of express business being done by each party hereto respectively at the said station. The Campbellford Company shall, if it so desires, be given proper and sufficient space and accommodation in the said station for its telegraph and telephone operators. The Campbellford Company shall have the right to be consulted in reference to the number of persons employed for the common benefit of the parties hereto under this paragraph, and their rates of remuneration, and the Northern Company shall require all such Joint Employees to be neutral in the performance of their duties as between the parties hereto and to do the business of such parties without discrimination. Upon request in writing of the Campbellford Company for good cause shown the Northern Company will remove from employment in or about the Joint Premises any such Joint Employee who may be unsatisfactory to the Campbellford Company.

Northern Company to operate and maintain.

10. The maintenance and operation of the Joint Premises shall, except as otherwise herein provided, be done by the Northern Company and all work incidental thereto shall be done under the sole direction and supervision of the proper officers of the Northern Company.

Additional lands.

11. The Northern Company shall from time to time during the continuance of this Agreement acquire or set apart for the use or benefit of the parties hereto, upon and under the terms of this Agreement, such additional lands at Belleville as in the opinion of the parties hereto may be required for the accommodation of the traffic and business of the parties hereto intended to be carried on and done hereunder on the Joint Premises; and the Campbellford Company will from and after the date of acquisition or of setting apart of the said additional lands pay to the Northern Company interest at the rate of four and one-half per centum (4½%) per annum payable monthly at the same times and in the same manner as the payment of rental mentioned in Sub-paragraphs *(a)* and *(c)* of Paragraph 34 hereof upon the amount of one-half the then

value of the said additional lands, the basis for determining such value to be the same as in the case of lands of individuals expropriated by a railway company under the provisions of the Railway Act (Dominion).

Additional facilities.

12. Except as otherwise provided in Paragraph 5 hereof, the Northern Company shall from time to time provide or construct upon any land which shall at such time or times be comprised in the Joint Premises, such additional railway facilities and appurtenances (including new Station Buildings) as in the opinion of the parties hereto may be required for the operation and handling of the traffic and business of the parties hereto, and may re-arrange, rebuild, alter or make permanent improvements, additions or extensions to or substitutions for any railway facilities or appurtenances including buildings now or at any time hereafter comprised in the Joint Premises and shall provide, make or construct such works and things in connection with the said Joint Premises or any portion thereof as have been or may from time to time be ordered or required by the Board of Railway Commissioners for Canada, or any other properly constituted authority, and the Campbellford Company shall, in addition to the other payments to be made under this Agreement, pay to the Northern Company from and after the time the expense for or in respect of the foregoing is or has been incurred and during the continuance of this Agreement ,interest at the rate of four and one-half per centum (4½%) per annum (payable monthly at the same times and in the same manner as the payment of rental mentioned in Sub-paragraphs *(a)* and *(b)* of Paragraph 34 hereof) upon one-half of such portion of the cost of any and all such additional railway facilities and appurtenances, permanent improvements, buildings and rebuildings, alterations, additions, substitutions, works and things as is properly chargeable to Capital.

Connections.

13. The Campbellford Company shall at its own expense construct the track connections at all points of junction of the tracks of the Campbellford Company with the Joint Tracks, and in the event of the Joint Tracks being used in the future as a double track joint section, the Campbellford Company shall from time to time construct and provide such appliances for the protection or maintenance of or in connection with the said junctions as may be required or ordered by the Board of Railway Commissioners for Canada. The Northern Company shall maintain and operate such protective appliances after they shall be constructed and provided, and the Campbellford Company shall pay to the Northern Company all expenses thereof at the times and in the manner hereinafter mentioned.

Protective appliances.

14. The Northern Company shall construct, equip, maintain and operate a signal tower together with the necessary interlocking and protective appliances which the Board of

Railway Commissioners for Canada may order to be installed for the protection of the crossings of Front Street and Pinnacle Street and of the branch of the Grand Trunk situate on Pinnacle Street, and, except as otherwise provided in Paragraph 5 hereof, at any other point on the Joint Premises where protective devices may hereafter be ordered by the Board, the cost of construction and equipment thereof to be added to the cost of the Joint Premises and to be borne by the parties hereto in accordance with the terms and provisions hereinafter contained, the cost of maintenance and operation thereof to be borne equally by the parties hereto in accordance with the terms and provisions hereinafter contained.

Parties to have equal rights.

15. The parties hereto shall enjoy in all respects equal rights to the Joint Premises, unless wherein the rights of either are expressly restricted in this Agreement, and the trains of the Campbellford Company shall in every respect be treated by the officers, agents and employees of the Northern Company or those in charge or control of or engaged upon the Joint Section as trains of a similar class of the Northern Company.

Campbellford Company employees to comply.

16. The enginemen, trainmen and other employees of the Campbellford Company, when on or in charge of its trains and engines on the Joint Premises shall be subject to and be governed by the rules, regulations and orders of the Northern Company in force for the time being, and the movement and handling of the said trains and engines on the Joint Premises shall be subject to the said rules, regulations and orders and to any direction of the Northern Company or of its Officials which it or they may deem necessary or expedient for the reasonable and proper use and operation of the Joint Premises.

Joint employees.

17. Except as otherwise provided in Paragraph 5 hereof, all employees of the Northern Company (other than enginemen and trainmen) engaged in constructing, maintaining or operating the Joint Section, or in despatching, giving orders for or directing the movement of trains, cars or engines thereon, or in the performance of any other service for the common benefit of the parties hereto, and enginemen and trainmen of any work train engaged in any construction or maintenance work upon the Joint Section, shall, while engaged in such work, be deemed for the purpose of this Agreement joint employees of the parties hereto, but, if any persons above mentioned or referred to are engaged partly in the construction, maintenance or operation of the Joint Section and partly in service not connected therewith, then and in such case they shall be considered as joint employees only when engaged in any work for the joint use and benefit of the parties hereto in connection with the Joint Section.

Damage on by and to trains—exceptions.

18. Save as herein otherwise provided, each of the parties hereto shall as between themselves be responsible for and shall assume all loss, damage or injury to person or property which may occur on its engines, cars or trains, for all such loss, damage or injury which may be caused by its engines, cars or trains (including damage by fire originating therefrom) whether or not the condition or arrangement of the Joint Section or lands owned or leased by the Northern Company contribute in any manner or to any extent to such loss, damage or injury, and for all damage to its engines, cars or trains while on the Joint Section, except in the case of collision, in which event the provisions of Paragraph 20 shall apply, and in the case of injury to or death of joint employees, in which event the provisions of Paragraph 21 shall apply, provided, however, that under this paragraph neither party shall be liable to reimburse the other for any amount paid by way of compensation for injury to or death of any sole employee of such other party save only when such injury or death is due to the negligence of a sole employee or employees of such first mentioned party.

Injuries to persons on joint section.

19. When any loss, damage or injury of whatsoever nature, other than such as is referred to in the next preceding paragraph hereof, is occasioned to any person who is lawfully upon the Joint Section by reason either directly or indirectly of the fact that the Joint Section or any part thereof is being used by one of the parties hereto for the purpose of handling its traffic, all responsability for such loss, damage or injury shall, as between the parties hereto, be assumed and borne by such party.

Collisions.

20. The Campbellford Company and the Northern Company expressly covenant and agree each with the other that in case of a collision between their respective engines, cars or trains in or upon the Joint Section, the party whose sole employee or employees is or are alone at fault, or whose sole employee or employees together with a joint employee or employees is or are alone at fault, shall be solely responsible for and shall settle and pay all claims arising by reason thereof, and all loss and damage caused thereby, and shall indemnify and save the other party harmless therefrom; and in case any such collision is caused by the fault of sole employees of both of said parties or solely by the fault of any joint employee or employees of the said parties, or in case the cause of collision is so concealed that it cannot be determined whose employee or employees were at fault, each of said parties shall bear and pay all loss, damage and injury which its own property, or property in its custody, or its passengers or its employees or others claiming through them may have suffered by reason or in consequence thereof, and a share of all damage to property jointly used hereunder apportioned in accordance with the provisions of Paragraph 34 hereof.

Injuries to joint employees.

21. All claims or suits or liabilities arising under any statute for the protection or compensation of workmen growing out of injury to or death of any joint employee, and all claims or suits or liabilities arising out of loss of or damage to property of any joint employee in or on the Joint Section shall be settled and paid in the first instance by the Northern Company. If such injury, death, loss or damage is caused by the negligence of a sole employee or employees of the Northern Company either alone or in conjuction with that of a joint employee or employees no claim shall be made therefor against the Campbellford Company. If such injury, death, loss or damage is caused by the negligence of a sole employee or employees of the Campbellford Company either alone or in conjunction with that of a joint employee or employees, the Northern Company shall forthwith render account to the Campbellford Company for the full amount paid in settlement of such claim, suit or liability, and the Campbellford Company shall pay to the Northern Company the amount of such account within thirty (30) days after the receipt thereof. If such injury, death, loss or damage is caused accidentally or by the joint negligence of the sole employees of both parties hereto, or by the sole negligence of joint employees, or in case the cause of the injury, death, loss or damage cannot be determined, the Northern Company shall include the amount paid in settlement of such suits or claims in the operating expenses and the same shall be apportioned and borne by the parties hereto in accordance with the provisions of Paragraph 34 hereof.

Other claims.

22. In any case where loss, damage or injury has resulted to any person or property and such loss, damage or injury does not fall within the provisions of Paragraphs 18, 19, 20 or 21 hereof, or responsibility therefor cannot be satisfactorily determined, then and in all and each of such cases the damages and costs or either and all loss thereby caused shall be charged to operating expenses, and apportioned in accordance with the provisions of Paragraph 34 hereof.

Indemnity.

23. Each party hereto covenants and agrees that it will forever indemnify and save harmless the other party, its successors and assigns, from and against all claims, liabilities or judgments by reason or on account of any injury to or death of any person or of any loss or damage to property, the liability for which is herein assumed by such first mentioned party, and such first mentioned party agrees to pay, satisfy and discharge any judgment that may be obtained by reason thereof, and all costs, charges and expenses payable thereunder.

Defence of suits.

24. In case a suit or suits or proceedings shall be commenced by any person or corporation against either party hereto, for or on account of any loss, damage or injury

for which the other party hereto is liable under the provisions of this Agreement, the party so sued or proceeded against shall give to the other party reasonable notice in writing of the pendency of such suit or proceeding, and thereupon the other party shall assume the defence of such suit or proceeding, and shall save and hold the party so sued harmless from all loss and costs by reason thereof. Neither party hereto shall be bound by any judgment against the other party unless it shall have had reasonable notice that it was required to defend and has reasonable opportunity to make such defence. When such notice and opportunity have been given, the party notified shall be bound by the judgment as to all matters that could have been litigated in such suit or proceeding.

Business interruption.

25. Neither party hereto shall under any circumstances have any cause of action against the other for loss or damage of any kind caused by or resulting from interruption or delay to its business.

Settlement of claims.

26. The parties shall settle, as between themselves, any claim for loss or damage according to the terms of this Agreement, notwithstanding any judgment or decree of any court or other tribunal in a proceeding brought by other parties.

Proceedings in case of dispute.

27. In case the parties cannot agree under which of the provisions of this Agreement the loss, damage, injury or expense hereinbefore referred to shall be assumed, charged or borne, the question as to how the said loss, damage, injury or expense was occasioned shall be referred for settlement in the manner provided in Paragraph 40 hereof, and in all such cases the award upon such reference shall be final in determining the question in dispute and shall prevail over any contrary finding of a court or jury in an action instituted by any third person or company in which both parties hereto are not represented; provided, however, that if both parties are represented the finding of such court or jury shall prevail.

Application of liability clauses to third companies.

28. The Northern Company shall, in the event of it admitting any other company to the use of the Joint Section, or any part thereof, insert or cause to be inserted in any agreement admitting such other company or companies, the provisions of the foregoing Paragraphs 17 to 27 inclusive, respecting joint employees and liability for loss, damage and injury, for the benefit of the Campbellford Company when similar circumstances arise between the Campbellford Company and any such other company or companies, and such agreement with any such other company shall be construed as if it were signed by all the railway companies at one time in the joint use of the Joint Section or any part thereof.

Leases to outside parties.

29. Any lease to any outside party of any portion of the Joint Section, for exclusive occupation by such outside party, shall be by and in the name of the Northern Company, as lessor for the benefit of the parties to these presents, and one-half of the net rentals and other payments arising therefrom shall be credited in their proper proportions against the rental and the proportion of Maintenance and Operation expenses payable by the Campbellford Company under Paragraph 34 hereof, and the parties hereto shall benefit thereby accordingly, and the responsibility for collecting such rentals shall be with the Northern Company provided that no such lease shall be made of any portion of the Joint Section which shall at the time be required for the use of the parties hereto, or either of them under this Agreement.

Exclusive occupation by one party.

30. In the event of either of the parties hereto occupying any portion of the Joint Section for its own exclusive use, otherwise than as specially provided for in this Agreement, such party shall be charged for such portion of the Joint Section a rental to be agreed upon between the parties hereto, or, in default of agreement, to be determined under the provisions of Paragraph 40 hereof, and one-half of such rental shall be credited against the rental payable by the Campbellford Company under Paragraph 34 hereof, and the parties hereto shall benefit thereby accordingly.

Northern Company not liable for mileage, etc.

31. The Northern Company shall not pay or be liable for any mileage or other compensation for or in respect of any engine or car brought upon the Joint Section by the Campbellford Company, but the Campbellford Company shall as between the parties hereto pay and be liable for and hereby covenants to indemnify the Northern Company against any claim or claims for any such mileage or other compensation for or in respect of any such engines or cars.

Privileges.

32. All facilities and privileges such as refreshment rooms, parcel rooms, news-stands, telephone booths, pay toilets, shoe stands, vending machines and the like shall with the approval of the Campbellford Company, be either operated directly by the Northern Company or leased by it to outside parties. In the former event, one-half of the net revenue derived from such operation shall be credited against the proportion of the Maintenance and Operation expenses payable by the Campbellford Company under Paragraph 34 hereof. In the latter event, one-half of all rentals derived from such leases shall be credited against the rental payable by the Campbellford Company under said Paragraph 34, and the parties hereto shall benefit thereby accordingly.

Forms—Advertising.

33. The Campbellford Company shall, at its own expense, provide and supply the passenger tickets, baggage checks and other forms and stationery required for its own business,

and shall at its own expense do its own advertising, including the advertising in Belleville of its train service. It is understood that the Campbellford Company is to be permitted to advertise its train service in the Joint Passenger Station in the same manner as similar advertising of the Northern Company.

Payments by Campbellford Company.

34. The Campbellford Company agrees to pay during the continuance of this Agreement to the Northern Company for the privileges hereby granted, in addition to all other payments herein provided for, the amounts hereinafter mentioned in the manner and at the times hereafter mentioned, that is to say:—

(a) A rental of Ninety-four Dollars and Twenty-two Cents ($94.22) per month, being on the basis of interest at the rate of four and one-half per centum (4½%) per annum on one-half the sum of Fifty Thousand Two Hundred and Fifty-three Dollars and Ten Cents ($50,253.10), the estimated present value of the lands comprised in the Joint Premises, exclusive of improvements thereon, payable at the offices of the Northern Company at Toronto on the First day of each and every month, the first of such payments being rental for the month of June, 1914, to be paid on the first day of July, 1914.

(b) A further rental of a sum equal to interest at the rate of four and one-half per centum (4½%) per annum on one-half the actual cost of any additional improvements now or hereafter constructed, erected, placed and made under the provisions of this Agreement on the lands comprised in the Joint Premises, including tracks, ballasting, switches, protective appliances, station, platform, baggage and express buildings (less proper deduction for retirements) and also the full cost in connection with the opening of a street along the south side of the Joint Premises, including the sum of Three Thousand Dollars ($3,000.00) paid by the Northern Company to the City of Belleville in connection therewith, such rental to be payable at the same times and in the same manner as the rental provided to be paid under Sub-paragraph *(a)* of this Paragraph. The provisions of this Sub-paragraph shall not apply to any work, additions or improvements to be made and maintained by or at the cost of one of the parties hereto under the terms hereof.

(c) Fifty per cent (50%) of the amount of all taxes, rates and assessments, whether Governmental, Municipal or otherwise, charged against, payable upon or in respect of the Joint Premises or any portion thereof, and Fifty per cent (50%) of any payment or contribution made by the Northern Company for or in connection with sewer or water connections, boule-

vards, pavements, street cleaning and the like, required, used or intended for the benefit of the Joint Premises or some portion thereof.

(d) Fifty per cent (50%) of all insurance premiums, if any, payable in respect of any building or structure comprised in the Joint Premises.

(e) Fifty per cent (50%) of all such other cost and expense incurred (less salvage or insurance recovered, if any) in the maintenance and operation of the Joint Premises, not included in the foregoing, but which according to the usual practice of railway companies is properly chargeable to maintenance and operation (including the original cost of any facilities used jointly which are retired and not replaced, plus cost of retirement); provided that, should the Campbellford Company elect to exercise any of its rights hereunder in reference to the appointment of its own employees for the performance of certain services, then and in that event its contribution under this Paragraph to the wages and expenses of the employee or employees who shall theretofore have been performing such services for it as a joint employee shall cease.

(f) It is understood that in the cost of carrying out any work or the performance of any service, whether for additions and betterments or maintenance and operation, there shall be included in addition to the actual cost the charge of Ten per cent (10%) on labor for supervision, and Fifteen per cent (15%) on material and supplies, other than coal, for handling, which additional charges are agreed upon as reasonable for the purposes mentioned but may be varied from time to time by joint action of the Accounting Officers of the parties hereto. The price to be charged for coal shall include such additional charges as may be agreed upon from time to time by the Accounting Officers of the parties hereto.

Fire or other loss—Replacement.

35. All Insurance Moneys received by the Northern Company in respect of damage to or the destruction of any building or facility comprised in the Joint Premises by fire or otherwise, including all contributions from its own Insurance Fund, shall be expended by the Northern Company in the repair of such damage or the replacement of such building or facility so destroyed.

Rendering and payment of accounts.

36. The Northern Company shall render to the Campbellford Company, as soon as possible after the end of each month, bills showing moneys which have become due, owing or payable to or earned by the Northern Company under the provisions of this Agreement during such preceding month (except in respect of interest and rental under Paragraphs 11 and 12 and Sub-paragraphs *(a)* and *(b)* of Paragraph 34 hereof respectively); and the Campbell-

ford company shall pay to the Northern Company, within thirty days after the receipt of each such bill, the amount owing to the Northern Company as indicated thereby.

Inspection of books.

37. Subject to the proviso hereinafter contained, the Northern Company will from time to time and at all times during the continuance of this Agreement allow proper inspection by the Campbellford Company of all books, accounts, returns and vouchers for the purpose of checking or verifying any account or accounts rendered by the Northern Company to the Campbellford Company in pursuance of this Agreement, and the Campbellford Company shall have the right from time to time to employ an auditor or auditors to investigate the accuracy of any such account or accounts, and the Northern Company shall from time to time afford all proper facilities for such investigation; and neither the acceptance of any such account or accounts nor the payment thereof by the Campbellford Company shall prejudice its rights to an audit or verification; and, if upon any such audit or verification, or at any time, it shall be found that the Campbellford Company has paid to the Northern Company any sum or sums of money which it was not liable to pay under the provisions of this Agreement, it shall be entitled to demand and collect the same from the Northern Company, and the Northern Company shall refund the same; provided, however, that such right of inspection in respect of maintenance and operation charges shall be exercisable only within one year after the rendering of the account or accounts sought to be checked or verified, and any account not found to be incorrect within such period of one year shall not thereafter be subject to objection or change, and further that the Northern Company shall not in any account make any charge in respect of any service performed or material furnished hereunder in connection with maintenance and operation prior to the period of one year before the rendering of such account unless notice be given in respect of such adjustment before the expiry of that period.

Termination on default.

38. Should the Campbellford Company fail to make any of the payments herein stipulated to be made when they shall become due and payable as herein provided and such failure shall continue for sixty days after demand for payment shall have been made in writing by the Northern Company, the Northern Company may upon at least thirty (30) days' notice in writing to the Campbellford Company (unless within such thirty (30) days the Board of Railway Commissioners for Canada, upon the application of the Campbellford Company, after ten (10) days' notice to the Northern Company, orders otherwise) exclude the Campbellford Company from the benefit and enjoyment of the Joint Premises or any portion thereof or of this Agreement,

as the Northern Company may deem advisable, and this Agreement and all the rights and privileges of the Campbellford Company hereunder, shall thereupon, at the option of the Northern Company, cease and determine. Such demand in writing and such notice shall be made and given by being delivered to or sent by registered letter, prepaid, addressed to the Canadian Pacific Railway Company at its Head Office, Montreal, Quebec, and sixty (60) and thirty (30) days, respectively above mentioned, shall run from the date of delivery or mailing the said demand or notice, respectively. Upon the termination of this Agreement from any cause whatsoever, the Campbellford Company shall immediately disconnect its tracks from the tracks of the Northern Company at the said points of junction, and, failing so to do, the Northern Company may disconnect the said tracks at the expense of the Campbellford Company.

Assignment of Campbellford Company's rights.

39. The Campbellford Company shall not, without the consent in writing of the Northern Company, transfer any rights or interests under this Agreement, or give or assume to give to any other company or person any rights or interests, upon or in respect of the Joint Premises or any part thereof; and any such transfer or other instrument contrary to the provisions of this Paragraph shall be void and of no effect. In the event of an amalgamation of either of the Companies, party to this Agreement, with another Company or Companies, the amalgamated Company as successor by amalgamation shall possess all the rights of its predecessor under this Agreement; provided, however, that nothing herein contained shall be construed to confine or restrict the use and enjoyment of the Joint Premises by either of the Companies, party to this Agreement, to the lines now owned, leased, operated, controlled (by stock ownership or otherwise) or managed by such Company.

Settlement of disputes.

40. Every disagreement which may arise between the parties hereto as to the construction of this Agreement, or any part thereof, or as to the rights or liabilities of the parties or of either of them under it, shall be decided by arbitration; the Northern Company and the Campbellford Company each to appoint one arbitrator, and the two so appointed to appoint a third; but if either party fail for two weeks after the appointment by the other party, to appoint its arbitrator, or if the two when appointed fail for that period to appoint a third, then any Judge of the High Court of Justice of the Province of Ontario may appoint an arbitrator instead of such party or instead of the two arbitrators, as the case may be, and the award in writing of

a majority of the three arbitrators shall be conclusive and binding upon the parties hereto. Each party shall pay half of the cost of such arbitration.

Agreement to take effect—Duration.

41. This Agreement shall take effect, as to the construction work to be performed hereunder, as of the date hereof, and, as to the use and enjoyment by the Campbellford Company of the Joint Premises, and the payments to be made by it in respect of such use and enjoyment under the provisions of Paragraph 34 hereof or otherwise, as of the first day of June, 1914, and shall, subject to the sooner termination thereof, as herein provided, continue in force for a period of twenty years from the said first day of June, 1914; provided, however, that the Northern Company will join with the Campbellford Company in applying to Parliament for the necessary legislation confirming and ratifying the Agreement and making it effective during a term of nine hundred and ninety-nine (999) years from the said first day of June, 1914, and when so ratified and confirmed, this Agreement shall be and continue in force for the said term of nine hundred and ninety-nine (999) years from the said first day of June, 1914.

IN WITNESS WHEREOF the parties hereto have hereunto caused to be affixed their respective corporate seals and the hands of their proper officers to be set on the seventeenth day of May, 1933.

THE CANAD AN NORTHERN ONTARIO RAILWAY COMPANY,

D. C. GRANT,
Vice-President.

(SEAL)

R. P. ORMSBY,
Secretary.

THE CAMPBELLFORD, LAKE ONTARIO WESTERN RAILWAY COMPANY,

GRANT HALL,
President.

(SEAL)

H. C. OSWALD,
Secretary.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 24.

An Act to ratify and confirm an agreement made between The Canadian Northern Ontario Railway Company and The Campbellford, Lake Ontario and Western Railway Company.

AS PASSED BY THE HOUSE OF COMMONS, 13th MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74308 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 24.

An Act to ratify and confirm an agreement made between The Canadian Northern Ontario Railway Company and The Campbellford, Lake Ontario and Western Railway Company.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Agreement ratified.

1. The Agreement between The Canadian Northern Ontario Railway Company, of the First Part, and The Campbellford, Lake Ontario and Western Railway Company, of the Second Part, dated as of the first day of May, 1912, a copy of which forms the Schedule to this Act, is hereby ratified and confirmed and declared to be valid and binding on the parties thereto in all respects whatsoever, as fully and completely as if the said agreement was set out at length and enacted in this Act, and, subject to the provisions of the *Railway Act*, the parties to the said agreement are hereby authorized and empowered to do whatever may be necessary on their respective parts to give full effect to the provisions of the said agreement.

R.S., c. 170.

Explanatory Note.

The object of this Bill is to ratify and confirm an Agreement between The Canadian Northern Ontario Railway Company and The Campbellford, Lake Ontario and Western Railway Company for the joint use of certain tracks and premises of The Canadian Northern Ontario Railway Company at Belleville, Ontario, and thus validating the Agreement for the full period of 999 years from the first day of June, 1914, unless sooner terminated in accordance with the provisions of the Agreement.

SCHEDULE.

THIS AGREEMENT made in duplicate as of this first day of May, One thousand nine hundred and twelve,

BETWEEN:

THE CANADIAN NORTHERN ONTARIO RAILWAY COMPANY, hereinafter called "The Northern Company,"

of the First Part,

AND

THE CAMPBELLFORD, LAKE ONTARIO AND WESTERN RAILWAY COMPANY, hereinafter called "The Campbellford Company,"

of the Second Part.

Recitals.

WHEREAS the Northern Company has constructed a line of railway from a point in lot nine (9), concession Broken Front, Township of Thurlow, County of Hastings, Province of Ontario, said point being marked "C" on the plan which is made a part hereof and signed by the parties hereto for identification, thence in a westerly direction as shown on said plan a distance of 3·7 miles through parts of the Township of Thurlow, City of Belleville and Township of Sidney, all in said County, to a point in lot thirty-two (32), concession one (1), Township of Sidney, marked "N" on said plan, in accordance with a location plan duly approved by the Board of Railway Commissioners for Canada, including a single track bridge across the Moira River, and for that purpose has acquired or is acquiring the necessary lands for right of way and station grounds as shown coloured red and green and edged with dash lines on the said plan.

AND WHEREAS the Northern Company has constructed a passenger station and established passenger facilities in the said City, upon the location shown in yellow on the said plan;

AND WHEREAS, in order to avoid as far as possible the duplication of railway lines through the said City, the Campbellford Company desires to acquire certain portions of the said lands and to have the use and benefit, jointly and equally with the Northern Company, of certain other portions and of the passenger station premises and facilities and of certain portions of the lines and tracks of the Northern Company in the said City for the construction and operation of the railway which the Campbellford Company is about to construct through the said City;

AND WHEREAS the Northern Company has agreed thereto, upon and subject to the terms, conditions and provisions hereinafter contained;

THEREFORE the parties hereto do hereby mutually covenant and agree as follows, that is to say:—

Campbellford Company to purchase lands, tracks and telegraph lines.

1. The Northern Company will sell to the Campbellford Company, and the Campbellford Company will purchase from the Northern Company, all those portions of the said lands shown coloured green upon the said plan, together with the lines of railway and telegraph lines (if any) constructed thereon, and the single track bridge constructed by the Northern Company across the Moira River, as shown on the said plan, for and in consideration of the payment by the Campbellford Company to the Northern Company of the sum of Fifty-two Thousand One Hundred and Ninety-six Dollars and Seventy-three Cents ($52,196.73), which is fixed as the value of the lands, lines of railway and telegraph lines and bridge so to be purchased by the Campbellford Company, exclusive of the lines of railway and telegraph lines and bridge in place of which the Campbellford Company is to construct new lines of railway and telegraph lines and a new bridge as hereinafter provided. The Campbellford Company shall also bear any taxes on the lands to be so transferred, pending transfer of titles to the Campbellford Company, as well as interest at four and one-half per centum (4½%) per annum on the value of the land until payment therefor is made.

Northern Company shall convey.

2. The lands, lines of railway and telegraph lines and bridge referred to in Paragraph 1 hereof shall be conveyed by the Northern Company to the Campbellford Company by a good and sufficient deed or deeds in fee simple with the usual statutory covenants, free from dower and all encumbrances, which deed or deeds shall be submitted to the Campbellford Company for approval and shall be delivered as soon as possible after the payment of the purchase price herein mentioned.

Campbellford Company to construct.

3. In substitution for the lines of railway and telegraph lines and bridge which are to be conveyed by the Northern Company to the Campbellford Company, as provided by Paragraph 2 hereof, the Campbellford Company shall construct for the Northern Company:—

(a) A single track line of railway to the south of, parallel to and at twenty-six foot centres with that portion of the said line of railway so to be conveyed, extending from the point marked "A", about two hundred feet east of the easterly limit of George Street to the point marked "B" at the westerly limit of Macdonald Avenue, together with a suitable connection with the existing line of railway of the Northern Company between the points marked "B" and "C" on the said plan;

(b) A single track line of railway, including a single track bridge crossing the Moira River to the south of, parallel to and at twenty-six foot centres with that portion of the line of railway and bridge so to be conveyed,

extending from the point marked "D" at the easterly end of the said bridge to the point marked "E" at the westerly end of the said bridge, together with a suitable connection with the existing line of railway of the Northern Company between the points marked "E" and "H", all as shown on the said plan; the lines of railway, bridge and connections referred to in this Parqgraph, to be constructed all in accordance with the said plan and to be of equal standard with the lines of railway and bridge so to be conveyed;

(c) Telegraph lines (equal in all respects to the telegraph lines so to be conveyed) along the southerly side of the lines of railway to be constructed hereunder and across the said river, also from the point marked "H" to the point marked "N", the exact location of such telegraph lines to be designated by the Engineer of the Northern Company; provided, however, that in lieu of constructing such telegraph line on the southerly side of the said railways between the points "C" and "A", and "D" and "N", the Campbellford Company may, at its own expense, rebuild the existing telegraph line on the northerly side of the railway, between the points "B" and "N", as indicated in brown on the plan as a joint line, for which no rental shall be chargeable against the Northern Company, the future maintenance of such joint line as to poles shall be performed to the satisfaction of the Northern Company by the Campbellford Company, and the cost thereof borne equally by the parties hereto, but each party shall maintain at its own expense and assume liability in connection with its own wires, insulators and cross-arms, it being understood that the Northern Company's employees shall be allowed access to such pole line for maintenance purposes.

Joint rights.

4. The Northern Company shall, upon and subject to the terms and conditions hereinafter contained and to the observance and performance thereof by the Campbellford Company, permit the Campbellford Company to connect, and during the continuance of this Agreement to maintain the connection of its tracks with the Joint Tracks at the points indicated thereon by the letters "A" and "D" and to operate its trains over the Joint Tracks and to have the benefit and enjoyment of the said passenger station and passenger facilities of the Northern Company at Belleville, all upon the terms and conditions hereinafter particularly set out and in conjunction with the Northern Company and any other company or companies to which the Northern Company may give similar privileges. The Joint Tracks and the roadbed thereof and a strip of land occupied thereby, as outlined in yellow upon the said plan,

the said passenger station and passenger facilities of the Northern Company and the lands occupied thereby as outlined in yellow upon the said plan, and all additional lands, railway facilities and appurtenances as may, pursuant to paragraphs 11, 12 or 14 hereof, or by mutual agreement between the parties hereto, be acquired or set apart or provided or constructed for the use or benefit of the parties hereto upon or under the terms of this Agreement, are hereinafter for the purposes of this Agreement, referred to collectively as the "Joint Premises."

Exclusive use of certain tracks.

5. For the time being and until it is found necessary or desirable to change such arrangement as hereinafter provided, the Campbellford Company will be entitled to the exclusive use of the northerly joint track, and the Northern Company will be entitled to the exclusive use of the southerly joint track, subject to the conditions hereinafter set forth:—

(a) The Campbellford Company will, at its own expense, maintain the said northerly joint track, including the northerly half of the cross-overs between the two joint tracks, and the Northern Company will, at its own expense, maintain the said southerly joint track, including the southerly half of the cross-overs between the two joint tracks, and, except as otherwise herein provided, each Company shall assume the cost of any improvements or betterments which it may see fit to make on the tracks which it is to maintain.

(b) The Northern Company will have the right to enter upon and use the said northerly joint track for the purpose of movements to and from all interchange tracks, industrial spurs and connecting tracks, now or hereafter connected with the said northerly joint track, and the Campbellford Company will, at its own expense, construct and maintain all signals or other protective devices that may be necessary, and furnish all supplies for the operation thereof, provided that if such signals or other protective devices are installed, they will be operated by the joint station staff, and if at any time additional staff is employed or the joint employees are granted a higher rate of pay or allowed extra compensation in respect to the operation of such signals or other protective devices, such additional expense will be borne exclusively by the Campbellford Company.

(c) When any passenger train of the Northern Company handled on the southerly joint track is making use of the said station, the trains of the Campbellford Company will not pull in between such train and the station, and the Campbellford Company will construct and maintain at its own expense such signals and protective devices as may be necessary to permit the joint operators to control movements of the Campbellford Company's trains into the station.

(*d*) The platform between the station and the southerly joint track shall be constructed and maintained as part of the Joint Premises.

(*e*) If at any future time the Northern Company find it necessary or desirable to have the use of the said northerly joint track for its through trains, the parties will enter into a supplementary agreement for the maintenance and operation of the Joint Tracks as a double track joint section, which agreement will provide for such changes in the rental as may be necessary on account of improvements or betterments to tracks made by either party under the provisions of Sub-paragraph (*a*) of this paragraph.

Campbellford Company may construct roadway.

6. The Northern Company shall permit the Campbellford Company to construct and maintain at its own expense a joint roadway for vehicles and pedestrians through the Joint Premises to the north of the said passenger station and the Joint Tracks from Church Street to George Street as shown on the said plan.

Northern Company may construct roadway.

7. The Campbellford Company shall, for the purpose of giving the Northern Company access to the Northern Company's flag station at the Deaf and Dumb Institute at Belleville, permit the Northern Company to construct and maintain, free of expense to the Campbellford Company, a roadway and private crossing for vehicles and pedestrians through and over the property and tracks of the Campbellford Company, as shown on the said plan at point marked "M".

Campbellford Company to operate own trains.

8. The Campbellford Company is to operate its own trains over the Joint Tracks with its own engines and train crews. It is understood that the Joint Tracks are to be used by the Campbellford Company solely for the purposes:—

(*a*) Of operating thereover the freight trains and the work trains of the Campbellford Company;

(*b*) Of switching cars to and from Interchange Tracks; and

(*c*) Of the operation of passenger trains of the Campbellford Company, including switching and shunting movements incidental thereto, with the privilege of stopping only at the said station for the receiving and delivering of its passenger, baggage and express traffic.

Passenger, Baggage and Express business.

9. The Northern Company is exclusively, except in respect of duties usually performed by trainmen, including train baggagemen, to perform all services in connection with the handling of all passenger and baggage traffic at the said station for both companies, such handling to include selling of tickets and the checking and handling of baggage, provided, however, that the Campbellford

Company may if it so elects at any time during the continuance of this agreement appoint its own agent for the selling of tickets and suitable space shall be provided therefor at the said station by the Northern Company upon similar terms to those hereinafter contained in relation to the handling of express business. The express business of the Campbellford Company and the Canadian Pacific Express Company is to be handled by the employees of such companies, and suitable space is to be provided therefor at the said station; the location and character of the said space to be determined by the parties hereto, but to be relatively equal to the space to be provided for the like purpose for the Northern Company or the Canadian Northern Express Company, due regard being had to the volume of express business being done by each party hereto respectively at the said station. The Campbellford Company shall, if it so desires, be given proper and sufficient space and accommodation in the said station for its telegraph and telephone operators. The Campbellford Company shall have the right to be consulted in reference to the number of persons employed for the common benefit of the parties hereto under this paragraph, and their rates of remuneration, and the Northern Company shall require all such Joint Employees to be neutral in the performance of their duties as between the parties hereto and to do the business of such parties without discrimination. Upon request in writing of the Campbellford Company for good cause shown the Northern Company will remove from employment in or about the Joint Premises any such Joint Employee who may be unsatisfactory to the Campbellford Company.

Northern Company to operate and maintain.

10. The maintenance and operation of the Joint Premises shall, except as otherwise herein provided, be done by the Northern Company and all work incidental thereto shall be done under the sole direction and supervision of the proper officers of the Northern Company.

Additional lands.

11. The Northern Company shall from time to time during the continuance of this Agreement acquire or set apart for the use or benefit of the parties hereto, upon and under the terms of this Agreement, such additional lands at Belleville as in the opinion of the parties hereto may be required for the accommodation of the traffic and business of the parties hereto intended to be carried on and done hereunder on the Joint Premises; and the Campbellford Company will from and after the date of acquisition or of setting apart of the said additional lands pay to the Northern Company interest at the rate of four and one-half per centum (4½%) per annum payable monthly at the same times and in the same manner as the payment of rental mentioned in Sub-paragraphs *(a)* and *(c)* of Paragraph 34 hereof upon the amount of one-half the then

value of the said additional lands, the basis for determining such value to be the same as in the case of lands of individuals expropriated by a railway company under the provisions of the Railway Act (Dominion).

Additional facilities.

12. Except as otherwise provided in Paragraph 5 hereof, the Northern Company shall from time to time provide or construct upon any land which shall at such time or times be comprised in the Joint Premises, such additional railway facilities and appurtenances (including new Station Buildings) as in the opinion of the parties hereto may be required for the operation and handling of the traffic and business of the parties hereto, and may re-arrange, rebuild, alter or make permanent improvements, additions or extensions to or substitutions for any railway facilities or appurtenances including buildings now or at any time hereafter comprised in the Joint Premises and shall provide, make or construct such works and things in connection with the said Joint Premises or any portion thereof as have been or may from time to time be ordered or required by the Board of Railway Commissioners for Canada, or any other properly constituted authority, and the Campbellford Company shall, in addition to the other payments to be made under this Agreement, pay to the Northern Company from and after the time the expense for or in respect of the foregoing is or has been incurred and during the continuance of this Agreement ,interest at the rate of four and one-half per centum (4½%) per annum (payable monthly at the same times and in the same manner as the payment of rental mentioned in Sub-paragraphs *(a)* and *(b)* of Paragraph 34 hereof) upon one-half of such portion of the cost of any and all such additional railway facilities and appurtenances, permanent improvements, buildings and rebuildings, alterations, additions, substitutions, works and things as is properly chargeable to Capital.

Connections.

13. The Campbellford Company shall at its own expense construct the track connections at all points of junction of the tracks of the Campbellford Company with the Joint Tracks, and in the event of the Joint Tracks being used in the future as a double track joint section, the Campbellford Company shall from time to time construct and provide such appliances for the protection or maintenance of or in connection with the said junctions as may be required or ordered by the Board of Railway Commissioners for Canada. The Northern Company shall maintain and operate such protective appliances after they shall be constructed and provided, and the Campbellford Company shall pay to the Northern Company all expenses thereof at the times and in the manner hereinafter mentioned.

Protective appliances.

14. The Northern Company shall construct, equip, maintain and operate a signal tower together with the necessary interlocking and protective appliances which the Board of

Railway Commissioners for Canada may order to be installed for the protection of the crossings of Front Street and Pinnacle Street and of the branch of the Grand Trunk situate on Pinnacle Street, and, except as otherwise provided in Paragraph 5 hereof, at any other point on the Joint Premises where protective devices may hereafter be ordered by the Board, the cost of construction and equipment thereof to be added to the cost of the Joint Premises and to be borne by the parties hereto in accordance with the terms and provisions hereinafter contained, the cost of maintenance and operation thereof to be borne equally by the parties hereto in accordance with the terms and provisions hereinafter contained.

Parties to have equal rights.

15. The parties hereto shall enjoy in all respects equal rights to the Joint Premises, unless wherein the rights of either are expressly restricted in this Agreement, and the trains of the Campbellford Company shall in every respect be treated by the officers, agents and employees of the Northern Company or those in charge or control of or engaged upon the Joint Section as trains of a similar class of the Northern Company.

Campbellford Company employees to comply.

16. The enginemen, trainmen and other employees of the Campbellford Company, when on or in charge of its trains and engines on the Joint Premises shall be subject to and be governed by the rules, regulations and orders of the Northern Company in force for the time being, and the movement and handling of the said trains and engines on the Joint Premises shall be subject to the said rules, regulations and orders and to any direction of the Northern Company or of its Officials which it or they may deem necessary or expedient for the reasonable and proper use and operation of the Joint Premises.

Joint employees.

17. Except as otherwise provided in Paragraph 5 hereof, all employees of the Northern Company (other than enginemen and trainmen) engaged in constructing, maintaining or operating the Joint Section, or in despatching, giving orders for or directing the movement of trains, cars or engines thereon, or in the performance of any other service for the common benefit of the parties hereto, and enginemen and trainmen of any work train engaged in any construction or maintenance work upon the Joint Section, shall, while engaged in such work, be deemed for the purpose of this Agreement joint employees of the parties hereto, but, if any persons above mentioned or referred to are engaged partly in the construction, maintenance or operation of the Joint Section and partly in service not connected therewith, then and in such case they shall be considered as joint employees only when engaged in any work for the joint use and benefit of the parties hereto in connection with the Joint Section.

Damage on by and to trains—exceptions.

18. Save as herein otherwise provided, each of the parties hereto shall as between themselves be responsible for and shall assume all loss, damage or injury to person or property which may occur on its engines, cars or trains, for all such loss, damage or injury which may be caused by its engines, cars or trains (including damage by fire originating therefrom) whether or not the condition or arrangement of the Joint Section or lands owned or leased by the Northern Company contribute in any manner or to any extent to such loss, damage or injury, and for all damage to its engines, cars or trains while on the Joint Section, except in the case of collision, in which event the provisions of Paragraph 20 shall apply, and in the case of injury to or death of joint employees, in which event the provisions of Paragraph 21 shall apply, provided, however, that under this paragraph neither party shall be liable to reimburse the other for any amount paid by way of compensation for injury to or death of any sole employee of such other party save only when such injury or death is due to the negligence of a sole employee or employees of such first mentioned party.

Injuries to persons on joint section.

19. When any loss, damage or injury of whatsoever nature, other than such as is referred to in the next preceding paragraph hereof, is occasioned to any person who is lawfully upon the Joint Section by reason either directly or indirectly of the fact that the Joint Section or any part thereof is being used by one of the parties hereto for the purpose of handling its traffic, all responsability for such loss, damage or injury shall, as between the parties hereto, be assumed and borne by such party.

Collisions.

20. The Campbellford Company and the Northern Company expressly covenant and agree each with the other that in case of a collision between their respective engines, cars or trains in or upon the Joint Section, the party whose sole employee or employees is or are alone at fault, or whose sole employee or employees together with a joint employee or employees is or are alone at fault, shall be solely responsible for and shall settle and pay all claims arising by reason thereof, and all loss and damage caused thereby, and shall indemnify and save the other party harmless therefrom; and in case any such collision is caused by the fault of sole employees of both of said parties or solely by the fault of any joint employee or employees of the said parties, or in case the cause of collision is so concealed that it cannot be determined whose employee or employees were at fault, each of said parties shall bear and pay all loss, damage and injury which its own property, or property in its custody, or its passengers or its employees or others claiming through them may have suffered by reason or in consequence thereof, and a share of all damage to property jointly used hereunder apportioned in accordance with the provisions of Paragraph 34 hereof.

Injuries to joint employees.

21. All claims or suits or liabilities arising under any statute for the protection or compensation of workmen growing out of injury to or death of any joint employee, and all claims or suits or liabilities arising out of loss of or damage to property of any joint employee in or on the Joint Section shall be settled and paid in the first instance by the Northern Company. If such injury, death, loss or damage is caused by the negligence of a sole employee or employees of the Northern Company either alone or in conjuction with that of a joint employee or employees no claim shall be made therefor against the Campbellford Company. If such injury, death, loss or damage is caused by the negligence of a sole employee or employees of the Campbellford Company either alone or in conjunction with that of a joint employee or employees, the Northern Company shall forthwith render account to the Campbellford Company for the full amount paid in settlement of such claim, suit or liability, and the Campbellford Company shall pay to the Northern Company the amount of such account within thirty (30) days after the receipt thereof. If such injury, death, loss or damage is caused accidentally or by the joint negligence of the sole employees of both parties hereto, or by the sole negligence of joint employees, or in case the cause of the injury, death, loss or damage cannot be determined, the Northern Company shall include the amount paid in settlement of such suits or claims in the operating expenses and the same shall be apportioned and borne by the parties hereto in accordance with the provisions of Paragraph 34 hereof.

Other claims.

22. In any case where loss, damage or injury has resulted to any person or property and such loss, damage or injury does not fall within the provisions of Paragraphs 18, 19, 20 or 21 hereof, or responsibility therefor cannot be satisfactorily determined, then and in all and each of such cases the damages and costs or either and all loss thereby caused shall be charged to operating expenses, and apportioned in accordance with the provisions of Paragraph 34 hereof.

Indemnity.

23. Each party hereto covenants and agrees that it will forever indemnify and save harmless the other party, its successors and assigns, from and against all claims, liabilities or judgments by reason or on account of any injury to or death of any person or of any loss or damage to property, the liability for which is herein assumed by such first mentioned party, and such first mentioned party agrees to pay, satisfy and discharge any judgment that may be obtained by reason thereof, and all costs, charges and expenses payable thereunder.

Defence of suits.

24. In case a suit or suits or proceedings shall be commenced by any person or corporation against either party hereto, for or on account of any loss, damage or injury

for which the other party hereto is liable under the provisions of this Agreement, the party so sued or proceeded against shall give to the other party reasonable notice in writing of the pendency of such suit or proceeding, and thereupon the other party shall assume the defence of such suit or proceeding, and shall save and hold the party so sued harmless from all loss and costs by reason thereof. Neither party hereto shall be bound by any judgment against the other party unless it shall have had reasonable notice that it was required to defend and has reasonable opportunity to make such defence. When such notice and opportunity have been given, the party notified shall be bound by the judgment as to all matters that could have been litigated in such suit or proceeding.

Business interruption.

25. Neither party hereto shall under any circumstances have any cause of action against the other for loss or damage of any kind caused by or resulting from interruption or delay to its business.

Settlement of claims.

26. The parties shall settle, as between themselves, any claim for loss or damage according to the terms of this Agreement, notwithstanding any judgment or decree of any court or other tribunal in a proceeding brought by other parties.

Proceedings in case of dispute.

27. In case the parties cannot agree under which of the provisions of this Agreement the loss, damage, injury or expense hereinbefore referred to shall be assumed, charged or borne, the question as to how the said loss, damage, injury or expense was occasioned shall be referred for settlement in the manner provided in Paragraph 40 hereof, and in all such cases the award upon such reference shall be final in determining the question in dispute and shall prevail over any contrary finding of a court or jury in an action instituted by any third person or company in which both parties hereto are not represented; provided, however, that if both parties are represented the finding of such court or jury shall prevail.

Application of liability clauses to third companies.

28. The Northern Company shall, in the event of it admitting any other company to the use of the Joint Section, or any part thereof, insert or cause to be inserted in any agreement admitting such other company or companies, the provisions of the foregoing Paragraphs 17 to 27 inclusive, respecting joint employees and liability for loss, damage and injury, for the benefit of the Campbellford Company when similar circumstances arise between the Campbellford Company and any such other company or companies, and such agreement with any such other company shall be construed as if it were signed by all the railway companies at one time in the joint use of the Joint Section or any part thereof.

Leases to outside parties.

29. Any lease to any outside party of any portion of the Joint Section, for exclusive occupation by such outside party, shall be by and in the name of the Northern Company, as lessor for the benefit of the parties to these presents, and one-half of the net rentals and other payments arising therefrom shall be credited in their proper proportions against the rental and the proportion of Maintenance and Operation expenses payable by the Campbellford Company under Paragraph 34 hereof, and the parties hereto shall benefit thereby accordingly, and the responsibility for collecting such rentals shall be with the Northern Company provided that no such lease shall be made of any portion of the Joint Section which shall at the time be required for the use of the parties hereto, or either of them under this Agreement.

Exclusive occupation by one party.

30. In the event of either of the parties hereto occupying any portion of the Joint Section for its own exclusive use, otherwise than as specially provided for in this Agreement, such party shall be charged for such portion of the Joint Section a rental to be agreed upon between the parties hereto, or, in default of agreement, to be determined under the provisions of Paragraph 40 hereof, and one-half of such rental shall be credited against the rental payable by the Campbellford Company under Paragraph 34 hereof, and the parties hereto shall benefit thereby accordingly.

Northern Company not liable for mileage, etc.

31. The Northern Company shall not pay or be liable for any mileage or other compensation for or in respect of any engine or car brought upon the Joint Section by the Campbellford Company, but the Campbellford Company shall as between the parties hereto pay and be liable for and hereby covenants to indemnify the Northern Company against any claim or claims for any such mileage or other compensation for or in respect of any such engines or cars.

Privileges.

32. All facilities and privileges such as refreshment rooms, parcel rooms, news-stands, telephone booths, pay toilets, shoe stands, vending machines and the like shall with the approval of the Campbellford Company, be either operated directly by the Northern Company or leased by it to outside parties. In the former event, one-half of the net revenue derived from such operation shall be credited against the proportion of the Maintenance and Operation expenses payable by the Campbellford Company under Paragraph 34 hereof. In the latter event, one-half of all rentals derived from such leases shall be credited against the rental payable by the Campbellford Company under said Paragraph 34, and the parties hereto shall benefit thereby accordingly.

Forms—Advertising.

33. The Campbellford Company shall, at its own expense, provide and supply the passenger tickets, baggage checks and other forms and stationery required for its own business,

and shall at its own expense do its own advertising, including the advertising in Belleville of its train service. It is understood that the Campbellford Company is to be permitted to advertise its train service in the Joint Passenger Station in the same manner as similar advertising of the Northern Company.

Payments by Campbellford Company.

34. The Campbellford Company agrees to pay during the continuance of this Agreement to the Northern Company for the privileges hereby granted, in addition to all other payments herein provided for, the amounts hereinafter mentioned in the manner and at the times hereafter mentioned, that is to say:—

(a) A rental of Ninety-four Dollars and Twenty-two Cents ($94.22) per month, being on the basis of interest at the rate of four and one-half per centum (4½%) per annum on one-half the sum of Fifty Thousand Two Hundred and Fifty-three Dollars and Ten Cents ($50,253.10), the estimated present value of the lands comprised in the Joint Premises, exclusive of improvements thereon, payable at the offices of the Northern Company at Toronto on the First day of each and every month, the first of such payments being rental for the month of June, 1914, to be paid on the first day of July, 1914.

(b) A further rental of a sum equal to interest at the rate of four and one-half per centum (4½%) per annum on one-half the actual cost of any additional improvements now or hereafter constructed, erected, placed and made under the provisions of this Agreement on the lands comprised in the Joint Premises, including tracks, ballasting, switches, protective appliances, station, platform, baggage and express buildings (less proper deduction for retirements) and also the full cost in connection with the opening of a street along the south side of the Joint Premises, including the sum of Three Thousand Dollars ($3,000.00) paid by the Northern Company to the City of Belleville in connection therewith, such rental to be payable at the same times and in the same manner as the rental provided to be paid under Sub-paragraph *(a)* of this Paragraph. The provisions of this Sub-paragraph shall not apply to any work, additions or improvements to be made and maintained by or at the cost of one of the parties hereto under the terms hereof.

(c) Fifty per cent (50%) of the amount of all taxes, rates and assessments, whether Governmental, Municipal or otherwise, charged against, payable upon or in respect of the Joint Premises or any portion thereof, and Fifty per cent (50%) of any payment or contribution made by the Northern Company for or in connection with sewer or water connections, boule-

vards, pavements, street cleaning and the like, required, used or intended for the benefit of the Joint Premises or some portion thereof.

(d) Fifty per cent (50%) of all insurance premiums, if any, payable in respect of any building or structure comprised in the Joint Premises.

(e) Fifty per cent (50%) of all such other cost and expense incurred (less salvage or insurance recovered, if any) in the maintenance and operation of the Joint Premises, not included in the foregoing, but which according to the usual practice of railway companies is properly chargeable to maintenance and operation (including the original cost of any facilities used jointly which are retired and not replaced, plus cost of retirement); provided that, should the Campbellford Company elect to exercise any of its rights hereunder in reference to the appointment of its own employees for the performance of certain services, then and in that event its contribution under this Paragraph to the wages and expenses of the employee or employees who shall theretofore have been performing such services for it as a joint employee shall cease.

(f) It is understood that in the cost of carrying out any work or the performance of any service, whether for additions and betterments or maintenance and operation, there shall be included in addition to the actual cost the charge of Ten per cent (10%) on labor for supervision, and Fifteen per cent (15%) on material and supplies, other than coal, for handling, which additional charges are agreed upon as reasonable for the purposes mentioned but may be varied from time to time by joint action of the Accounting Officers of the parties hereto. The price to be charged for coal shall include such additional charges as may be agreed upon from time to time by the Accounting Officers of the parties hereto.

Fire or other loss—Replacement.

35. All Insurance Moneys received by the Northern Company in respect of damage to or the destruction of any building or facility comprised in the Joint Premises by fire or otherwise, including all contributions from its own Insurance Fund, shall be expended by the Northern Company in the repair of such damage or the replacement of such building or facility so destroyed.

Rendering and payment of accounts.

36. The Northern Company shall render to the Campbellford Company, as soon as possible after the end of each month, bills showing moneys which have become due, owing or payable to or earned by the Northern Company under the provisions of this Agreement during such preceding month (except in respect of interest and rental under Paragraphs 11 and 12 and Sub-paragraphs *(a)* and *(b)* of Paragraph 34 hereof respectively); and the Campbell-

ford company shall pay to the Northern Company, within thirty days after the receipt of each such bill, the amount owing to the Northern Company as indicated thereby.

Inspection of books.

37. Subject to the proviso hereinafter contained, the Northern Company will from time to time and at all times during the continuance of this Agreement allow proper inspection by the Campbellford Company of all books, accounts, returns and vouchers for the purpose of checking or verifying any account or accounts rendered by the Northern Company to the Campbellford Company in pursuance of this Agreement, and the Campbellford Company shall have the right from time to time to employ an auditor or auditors to investigate the accuracy of any such account or accounts, and the Northern Company shall from time to time afford all proper facilities for such investigation; and neither the acceptance of any such account or accounts nor the payment thereof by the Campbellford Company shall prejudice its rights to an audit or verification; and, if upon any such audit or verification, or at any time, it shall be found that the Campbellford Company has paid to the Northern Company any sum or sums of money which it was not liable to pay under the provisions of this Agreement, it shall be entitled to demand and collect the same from the Northern Company, and the Northern Company shall refund the same; provided, however, that such right of inspection in respect of maintenance and operation charges shall be exercisable only within one year after the rendering of the account or accounts sought to be checked or verified, and any account not found to be incorrect within such period of one year shall not thereafter be subject to objection or change, and further that the Northern Company shall not in any account make any charge in respect of any service performed or material furnished hereunder in connection with maintenance and operation prior to the period of one year before the rendering of such account unless notice be given in respect of such adjustment before the expiry of that period.

Termination on default.

38. Should the Campbellford Company fail to make any of the payments herein stipulated to be made when they shall become due and payable as herein provided and such failure shall continue for sixty days after demand for payment shall have been made in writing by the Northern Company, the Northern Company may upon at least thirty (30) days' notice in writing to the Campbellford Company (unless within such thirty (30) days the Board of Railway Commissioners for Canada, upon the application of the Campbellford Company, after ten (10) days' notice to the Northern Company, orders otherwise) exclude the Campbellford Company from the benefit and enjoyment of the Joint Premises or any portion thereof or of this Agreement,

as the Northern Company may deem advisable, and this Agreement and all the rights and privileges of the Campbellford Company hereunder, shall thereupon, at the option of the Northern Company, cease and determine. Such demand in writing and such notice shall be made and given by being delivered to or sent by registered letter, prepaid, addressed to the Canadian Pacific Railway Company at its Head Office, Montreal, Quebec, and sixty (60) and thirty (30) days, respectively above mentioned, shall run from the date of delivery or mailing the said demand or notice, respectively. Upon the termination of this Agreement from any cause whatsoever, the Campbellford Company shall immediately disconnect its tracks from the tracks of the Northern Company at the said points of junction, and, failing so to do, the Northern Company may disconnect the said tracks at the expense of the Campbellford Company.

Assignment of Campbellford Company's rights.

39. The Campbellford Company shall not, without the consent in writing of the Northern Company, transfer any rights or interests under this Agreement, or give or assume to give to any other company or person any rights or interests, upon or in respect of the Joint Premises or any part thereof; and any such transfer or other instrument contrary to the provisions of this Paragraph shall be void and of no effect. In the event of an amalgamation of either of the Companies, party to this Agreement, with another Company or Companies, the amalgamated Company as successor by amalgamation shall possess all the rights of its predecessor under this Agreement; provided, however, that nothing herein contained shall be construed to confine or restrict the use and enjoyment of the Joint Premises by either of the Companies, party to this Agreement, to the lines now owned, leased, operated, controlled (by stock ownership or otherwise) or managed by such Company.

Settlement of disputes.

40. Every disagreement which may arise between the parties hereto as to the construction of this Agreement, or any part thereof, or as to the rights or liabilities of the parties or of either of them under it, shall be decided by arbitration; the Northern Company and the Campbellford Company each to appoint one arbitrator, and the two so appointed to appoint a third; but if either party fail for two weeks after the appointment by the other party, to appoint its arbitrator, or if the two when appointed fail for that period to appoint a third, then any Judge of the High Court of Justice of the Province of Ontario may appoint an arbitrator instead of such party or instead of the two arbitrators, as the case may be, and the award in writing of

a majority of the three arbitrators shall be conclusive and binding upon the parties hereto. Each party shall pay half of the cost of such arbitration.

Agreement to take effect—Duration.

41. This Agreement shall take effect, as to the construction work to be performed hereunder, as of the date hereof, and, as to the use and enjoyment by the Campbellford Company of the Joint Premises, and the payments to be made by it in respect of such use and enjoyment under the provisions of Paragraph 34 hereof or otherwise, as of the first day of June, 1914, and shall, subject to the sooner termination thereof, as herein provided, continue in force for a period of twenty years from the said first day of June, 1914; provided, however, that the Northern Company will join with the Campbellford Company in applying to Parliament for the necessary legislation confirming and ratifying the Agreement and making it effective during a term of nine hundred and ninety-nine (999) years from the said first day of June, 1914, and when so ratified and confirmed, this Agreement shall be and contin e in force for the said term of nine hundred and ninety-nine (999) years from the said first day of June, 1914.

IN WITNESS WHEREOF the parties hereto have hereunto caused to be affixed their respective corporate seals and the hands of their proper officers to be set on the seventeenth day of May, 1933.

THE CANAD AN NORTHERN ONTARIO RAILWAY COMPANY,

D. C. GRANT,
Vice-President.

(SEAL)

R. P. ORMSBY,
Secretary.

THE CAMPBELLFORD, LAKE ONTARIO WESTERN RAILWAY COMPANY,

GRANT HALL,
President.

(SEAL)

H. C. OSWALD,
Secretary.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 25.

An Act to ratify and confirm an agreement respecting the joint use by His Majesty and the Commissioners of the Transcontinental Railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

First reading, March 5, 1934.

THE MINISTER OF RAILWAYS AND CANALS.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74303 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 25.

An Act to ratify and confirm an agreement respecting the joint use by His Majesty and the Commissioners of the Transcontinental Railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Agreement and supplementary agreement ratified.

1. The agreement made between Canadian Pacific Railway Company, of the First Part, and His Majesty King George the Fifth, represented by the Honourable the Minister of Railways and Canals of the Dominion of Canada, and The Commissioners of the Transcontinental Railway, of the Second Part dated the first day of January, 1915, a copy of which forms Schedule A to this Act, and the supplementary agreement made by the said parties dated as of first day of January, 1930, a copy of which forms Schedule B to this Act, are hereby ratified and confirmed and declared to be valid and binding on the parties thereto in all respects whatsoever, as fully and completely as if the said agreements were set out at length and enacted in this Act, and, subject to the provisions of the *Railway Act*, the parties to the said agreements are hereby authorized and empowered to do whatever may be necessary on their respective parts to give full effect to the provisions of the said agreements.

R.S., c. 170.

Explanatory Note

The object of this Bill is to ratify and confirm an Agreement and Supplementary Agreement between the Canadian Pacific Railway Company, His Majesty the King, and the Commissioners of the Transcontinental Railway for the joint use of certain tracks and premises at the City of Quebec, consisting of property originally contained in the Canadian Pacific Railway Company's terminals and additional property acquired by The Commissioners of the Transcontinental Railway and leased to the Canadian Pacific Railway Company for the purposes of the Agreements, and thus validating the Agreements for the full period of 99 years from the first day of January, 1915, unless sooner terminated in accordance with the provisions of the Agreements.

SCHEDULE A.

This Agreement made this first day of January,

A.D., 1915,

BETWEEN

THE CANADIAN PACIFIC RAILWAY COMPANY, hereinafter referred to as the "Pacific Company", of the First Part

AND

HIS MAJESTY KING GEORGE THE FIFTH, herein represented and acting by the Honourable the Minister of Railways and Canals of the Dominion of Canada, and hereinafter referred to as "His Majesty", and The Commissioners of The Transcontinental Railway, herein also represented and acting by the said the Honourable the Minister of Railways and Canals, pursuant to the statute and Order-in-Council in that behalf, of the Second Part.

Whereas, on behalf of and for the benefit of the Eastern Division of the National Transcontinental Railway and of all railways now or hereafter operated and controlled by the Government of Canada while so operated and controlled, His Majesty and the said Commissioners, desire to obtain track connections between the said Railway and the railway of the Pacific Company at the points indicated by the letters "A", "B", and "C" on the plan hereto annexed, and to operate the trains of the said railways upon and over certain tracks of the Pacific Company in and near the City of Quebec in the Province of Quebec, and to have the benefit and enjoyment of the passenger and freight stations and terminal facilities of the Pacific Company in the said City for the purposes of a Union Terminal property;

And Whereas the Pacific Company has agreed thereto upon and subject to the terms, conditions and provisions hereinafter contained;

Now, therefore, this agreement witnesseth that in consideration of the premises and of the mutual covenants and agreements of the parties hereto hereinafter contained, the parties hereto, for themselves and their respective successors and assigns, do hereby mutually covenant and agree as follows:

1. (a) "Transcontinental" wherever mentioned herein shall be deemed to refer to and include His Majesty and the Eastern Division of the National Transcontinental Railway and all railways which are now or may hereafter be leased or operated by the Government of the Dominion

of Canada or any Board, Commission, person or corporation from time to time duly authorized by His Majesty to construct or operate such railways or any of them;

(b) "Joint Tracks", wherever mentioned herein, shall be deemed to refer to the tracks of the Pacific Company indicated in red upon the said plan, and all additional railway tracks which may from time to time be constructed by the Pacific Company for the joint use of the parties hereto under the terms of this agreement;

(c) "Joint Premises", wherever mentioned herein, shall be deemed to refer to and include the Joint Tracks and the roadbed thereof, telegraph lines and telephone lines (as provided by paragraph three hereof), the lands now owned by the Pacific Company shown edged in green on the said plan and those heretofore and hereafter acquired by the Transcontinental, and leased to the Pacific Company, as hereinafter provided, shown edged in yellow thereon, the said passenger and freight stations and terminal facilities of the Pacific Company at or near Quebec, situate upon the said lands, or any portion thereof, and all additional lands, railway facilities and appurtenances which may, pursuant to paragraphs seven, eight or nine hereof or by mutual agreement between the parties hereto be acquired, set apart, provided or constructed for the use or benefit of the parties hereto upon or under the terms of this agreement;

(d) "Working Expenses", wherever mentioned herein, shall be deemed to refer to all reasonable expenses whatsoever of or incidental to the maintenance and operation of a railway terminal, including all salaries, wages, supplies, maintenance and renewal of tracks, switches, signals, buildings, furniture and equipment, taxes, insurance, lighting, heating, water supply and rental of equipment.

2. The Pacific Company shall, upon and subject to the terms and conditions hereinafter contained, and to the observance and performance thereof by the Transcontinental construct and maintain during the continuance of this agreement, the connections between the tracks of the Transcontinental and the Pacific Company at the point indicated by the letter "A" on the said plan, and also, when desired by the Transcontinental, at the points indicated by the letters "B" and "C" thereon, and shall likewise during the continuance of this agreement, permit the Transcontinental to operate its trains upon and over the Joint Tracks and to have the full and equal use and benefit and enjoyment of the Joint Premises in conjunction with the Pacific Company and any other company or companies to which the Pacific Company may grant similar privileges, the expense of and incidental to the original construction of each of the said connections to be borne by the Transcontinental and the expense of the maintenance

of the portions of the said connections within the limits of the Joint Premises to be included in the Working Expenses of the Joint Premises and borne by the parties hereto accordingly; Provided always, and it is hereby agreed, that no other company shall be given any similar rights or privileges on any more favorable terms than those herein contained, and that in the event of any such other company or companies being granted similar rights or privileges by the Pacific Company a readjustment of the rentals payable by the Transcontinental hereunder shall take place, as provided by paragraph twenty-nine hereof.

3. The Pacific Company shall likewise, upon and subject to the terms and conditions hereinafter contained, and to the observance and performance thereof by the Transcontinental, permit the Transcontinental at its own expense, to provide and attach its own crossarms and pins to the telegraph poles of the Pacific Company on the Joint Premises and to string, operate and maintain thereon the telegraph and telephone wires of the Transcontinental. The maintenance and renewal of the said poles shall be done by the Pacific Company and the expense thereof shall be borne by the parties hereto in proportion to the number of pins exclusively used by each from time to time on the said joint pole line. The Pacific Company shall also operate, maintain and renew any wire or wires used in connection with the operation of the trains, engines and cars upon and over the Joint Tracks, and the expense thereof shall be added to the Working Expenses of the Joint Premises and shall be borne by the parties hereto accordingly. All work performed under the provisions of this paragraph, whether by the Transcontinental or the Pacific Company, shall be under the supervision of the Superintendent of Telegraphs of the Pacific Company having charge of that portion of its telegraph lines.

4. For the purposes of this agreement, the value, as of the eighteenth day of March, 1914, of the Pacific Company's property, shown edged in green on the said plan, including the then existing tracks, railway facilities and apppurteances (excluding buildings) situate thereon shall be deemed to be two million seven hundred and seventy-four thousand two hundred and fifty dollars ($2,774,250) which shall form the capital account and shall bear interest from the first day of January, One thousand nine hundred and fifteen, at the rate of four and one-half per centum (4½%) per annum.

5. The Transcontinental shall, as soon as conveniently may be, acquire such portions of the lands edged in yellow on the said plan, as it has not already acquired, and shall lease the whole of said lands shewn edged in yellow to the Pacific Company from the date hereof (or from the dates upon which possession shall be given in any cases in which

possession has not already been given to the Pacific Company) and during the term ending the thirty first day of December, two thousand and thirteen, at an annual rental equal to four and one-half per centum (4½%) per annum to be paid quarterly on the first days of January, April, July and October, on the amounts which have been or shall be agreed upon between the parties hereto or fixed in expropriation proceedings by the Exchequer Court of Canada as the value of the several parcels of land acquired or to be acquired by the Transcontinental under the provisions of this paragraph, including all legal and other expenses incurred or to be incurred by both parties hereto in connection with the acquisition thereof (it being understood that the Pacific Company shall be credited with three thousand four hundred dollars ($3,400.00), being the amount of such expenses incurred by it, against the payment of interest to be made by it under the proviso contained in this paragraph), and the Pacific Company shall hold the said lands for the use and benefit of the parties hereto under the provisions of this agreement; Provided, and it is hereby understood and agreed that in addition to the rental so to be paid to the Transcontinental, the Pacific Company shall also pay to it one-half of each amount, paid or to be paid by the Transcontinental with the approval of the Pacific Company or under a judgment of the Exchequer Court of Canada in expropriation proceedings as interest upon the value of any of said parcels of land, and such interest shall not be included as part of the value of said parcels of land upon which rental is to be paid under the provisions of this paragraph.

6. The Pacific Company shall, when necessary, provide and construct the interlocking and other protective appliances required at the point of junction marked "A" on the said plan (including the interlocking connections with all the Joint Tracks and the interlocking and other appliances on the lines of the Pacific Company within the interlocking zone), and the Pacific Company shall also provide and construct such other appliances for the protection of or in connection with any of the junctions marked "A", "B" and "C" on the said plan as may at any time be required or ordered by the Board of Railway Commissioners for Canada; all expense of and incidental to the provision and construction of all such protective appliances shall be added to Capital Account and bear interest at the rate of four and one-half per centum (4½%) per annum payable at the times and in the manner provided in paragraph nineteen hereof; all such interlocking and protective appliances shall after construction be maintained and operated by the Pacific Company, and the expense of maintenance and operation shall be borne by the parties hereto in equal shares.

7. The Pacific Company shall from time to time during the continuance of this agreement acquire and set apart for the use and benefit of the parties hereto upon and under the terms of this agreement such lands at Quebec, in addition to those edged in green and yellow respectively upon the said plan, as in the opinion of the parties hereto may be required for the purpose of completing the Union Terminal Property, as shown on plans to be finally agreed upon, or for the accommodation of the traffic and business of the parties hereto intended to be carried on and done hereunder on the Joint Premises; and the cost of such additional lands, including all expenses of or incidental to the acquisition and setting apart thereof, shall from the date of such acquisition and setting apart be added to the capital account and shall bear interest at four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in paragraph nineteen hereof.

8. (a) The Pacific Company shall from time to time during the continuance of this agreement provide or construct upon any land which shall at such time or times be comprised in the Joint Premises such additional railway facilities and appurtenances (including new passenger and freight station buildings and industrial sidings) as in the opinion of the parties hereto may be required for the operation and handling of the traffic and business of the parties hereto and shall re-arrange, re-build, alter or make permanent improvements, additions or extensions to or substitutions for any railway facilities or appurtenances (including buildings) now or at any time hereafter comprised in the Joint Premises as in the opinion of the parties hereto may be required, and shall provide, make and construct such works and things in connection with the Joint Premises or any portion thereof as have been or may from time to time be ordered or required by the Board of Railway Commissioners for Canada, or any other properly constituted authority; and the cost of any and all such additional railway facilities and appurtenances, permanent improvements, buildings and re-buildings, alterations, extensions, additions, substitutions, works and things shall be added to capital account and shall bear interest at the rate of four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in paragraph nineteen hereof, it being understood that interest on every amount expended under the provisions hereof shall begin to accrue upon the date when such respective amount is expended; provided, and it is hereby understood and agreed, that the provisions of this paragraph shall apply to all work of the character referred to herein which has been performed on the Joint Premises or any Part thereof since the eighteenth day of March, A.D. 1914.

(b) If at any time and from time to time hereafter either party shall desire to have constructed any additional industrial siding connecting with the Joint Tracks, he or it shall give to the other party notice in writing of such desire and such other party shall, within ninety days after receipt of such notice, notify such first mentioned party as to whether he or it shall desire to have the joint use of such additonal siding, and in the event of such other party desiring to use such siding the same shall be treated in all respects as part of the Joint Tracks and the expense of construction, maintenance and operation of the same (in so far as such expense shall be agreed to be paid by either of the said parties) shall be borne accordingly; but in the event of such other party not desiring to use such siding, then the same shall be regarded as the exclusive siding of such first mentioned party, and notwithstanding anything to the contrary herein contained, all expense in connection therewith shall, as between the parties hereto, be borne and all rental therefor shall be credited accordingly; in either event the terms upon which such siding shall be constructed, maintained and operated shall be in accordance with a standard form, the terms of which shall be forthwith agreed upon between the parties hereto and the work of construction, including the furnishing of materials therefor, shall be done by the Pacific Company; provided that nothing herein contained shall be deemed to give the Transcontinental any right or privelege, without further special agreement, in respect of any sidings that may be constructed by the Pacific Company from the Joint Tracks to reach any industries or plants that may be situate on properties acquired or leased from the Pacific Company at Hare Point (so-called) or to give the Pacific Company any such right or privilege without further special agreement in respect of any sidings that may be constructed for the Transcontinental from the Joint Tracks to reach any industries or plants that may be situate on any property of His Majesty adjoining the Joint Premises.

9. Without in any wise limiting the provisions of paragraph eight hereof it is understood and agreed that the Pacific Company will construct and maintain upon the location in the vicinity of the Leonard Shops of the Transcontinental approximately shown on the said plan, and in accordance with detail plans to be agreed upon between the parties hereto, a roundhouse with the necessary facilities connected therewith, having sufficient accommodation for the proper care of the locomotives of the parties hereto, and will also construct and maintain the terminal yard in the vicinity of the said Leonard Shops as indicated in red upon the said plan, and the amounts from time to time expended on the construction of such Round-House facilities and terminal yard, shall be added to Capital Account and

bear interest at the rate of four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in paragraph nineteen hereof.

10. The Pacific Company shall with the approval of His Majesty from time to time appoint a General Agent who shall have entire control of the Joint Premises, the handling of trains and the transaction of all necessary and usual current business thereof, in the interest of both parties and shall be deemed to be a joint employee of both parties and the Pacific Company shall on demand for reasonable cause stated by the Transcontinental remove from employment in and about the Joint Premises, any such General Agent.

11. Each party hereto, and the Transcontinental shall, save as hereinafter specified, have equal rights in all respects to the use and enjoyment of the Joint Premises for the handling of freight, express and passenger traffic and for the transaction of business ordinarily connected with a railway terminal, and the Transcontinental shall operate its own trains upon and over the Joint Tracks with its own engines and train crews, provided, however, that all shunting and switching service upon and over the Joint Tracks shall be performed by the Pacific Company, but under the control of the General Agent, and that the expense thereof shall be included as part of the working expenses of the Joint Premises.

12. The Pacific Company is exclusively, except in respect of duties usually performed by trainmen, including train baggagemen, to perform all services in connection with the handling of all passenger and freight traffic on the Joint Premises, such handling to include the selling of tickets and the checking and handling of baggage. The express business of the Transcontinental shall be handled by the employees or contractors, of the Transcontinental and suitable space shall be provided therefor, in or near the passenger station, the location and character of such space to be determined by the Pacific Company, but to be relatively equal in location and importance to the space to be provided for the like purpose for the Pacific Company or the Dominion Express Company, due regard being had to the volume of express business being done by each party hereto, respectively at said station; Provided that should the Transcontinental at any time or times so elect it shall be entitled to separate ticket offices, to be operated by itself and suitable accommodation shall thereupon be provided, but in that event each party shall pay the salary of its ticket sellers.

13. The maintenance, repair and operation of the Joint Premises shall, except as herein otherwise provided, be done by the Pacific Company, and all work incidental thereto shall be done under the sole direction and supervision of the proper officers of the Pacific Company.

14. The employees of the Pacific Company while engaged in doing any act or transacting any business in respect of the trains or traffic of or otherwise in any manner on account of the Transcontinental shall for the time being be considered as employees of the Transcontinental.

15. Each of the parties hereto shall as between the parties hereto be responsible for all loss, damage or injury which may occur to person or property on its trains, for all such loss, damage or injury which may be done by its trains (including damage by fire originating from its trains) whether or not the condition or arrangement of the Joint Premises or lands owned or leased by the Pacific Company contributes in any manner or to any extent to such loss, damage or injury, and for all damage to its trains while on the Joint Premises, except in the case of collision between one of its trains and a train of the other party due to the fault of the enginemen or trainmen of one of them, in which case the party whose enginemen or trainmen are at fault shall be responsible for and make good to the other all loss, damage and injury caused by the collision, but this clause shall not give to any third party any claim to which he or she would not otherwise be legally entitled.

16. When any loss, damage or injury of whatsoever nature other than such as is referred to in the next preceding paragraph hereof is occasioned to any person who may be as a passenger or otherwise lawfully upon the Joint Premises by reason either directly or indirectly of the fact that the Joint Premises or any part thereof are or is being used by either of the parties hereto for the purpose of handling its traffic all responsibility for such loss, damage or injury shall as between the parties hereto be assumed and borne by such respective party, but this clause shall not give to any third party any claim to which he or she would not otherwise be legally entitled.

17. In any case where loss, damage or injury has resulted to any person or property and such loss, damage or injury does not fall within the provisions of paragraphs fifteen or sixteen hereof, then and in all and each such cases the damages and costs or either and all loss thereby caused shall be charged to the account of the Working Expenses, in addition to the matters included in the definition of the Working Expenses in this Agrement.

18. In case of collision, if the proper officers of the parties hereto are unable to agree as to the employees of which were at fault or as to the cause of any collision or as to the amount of damage done, then and in all and each of such cases, the question arising in respect thereof shall be referred to arbitration in the manner hereinafter provided for the settlement of differences and disputes, and the party hereto which shall be found responsible shall

indemnify, save harmless and defend the other from and against all claims, costs and proceedings resulting from or growing out of such fault, and the party so adjudged liable to pay the other any damages in respect thereof shall abide by and forthwith perform and comply with the award of the arbitrators which shall in all cases be final and conclusive upon both parties.

19. His Majesty shall pay to the Pacific Company a sum equal to one-half the interest at the rate of four and one-half per centum (4½%) per annum, calculated as hereinbefore provided, upon the value of the Pacific Company's property as set out in paragraph four hereof and upon all moneys expended by the Pacific Company on Capital Account under the provisions of this Agreement, such payments to be made quarterly on the first days of January, April, July and October, during the continuance of this agreement, the first payment of interest, however, which shall include interest on the value of the Pacific Company's property as aforesaid from the first day of January, 1915, to date of payment shall be made on the first day of July, 1915, and His Majesty shall also in like manner pay to the Pacific Company a sum equal to one-half the rental paid by the Pacific Company to the Transcontinental of the lands acquired by the Transcontinental and leased to the Pacific Company pursuant to the provisions of paragraph five hereof.

20. All Working Expenses of the Joint Premises shall be divided and paid by the parties in the following proportions, namely:—

(a) Passenger Station Expenses in the proportion which the number of the passenger cars and engines of each party entering and leaving such passenger station bears to the total number of passenger cars and engines so entering and leaving such station;

(b) Freight Shed and Office Expenses in the proportion which the tonnage of each party originating at or destined to any point on the Joint Premises bears to the total tonnage so originating or destined;

(c) Round-House Expenses in the proportion which the number of engines dispatched for each party bears to the total number of engines dispatched from the joint round-house;

(d) All other working expenses in the proportion which the number of engines and cars of each party of all classes passing over any portion of the Joint Tracks bears to the total number of engines and cars passing over any portion of the Joint Tracks;

(e) If so desired by the Transcontinental the Pacific Company shall furnish all locomotive and train supplies required by the Transcontinental at cost plus fifteen

per cent, and shall furnish the labour and material required for any ordinary and necessary running repairs to locomotives or cars at cost plus ten per cent for labour and cost plus fifteen per cent for material;

(f) If, prior to the construction of the new round-house referred to in paragraph nine hereof, the Transcontinental shall desire to have its locomotives turned on the turntable at the Pacific Company's present round-house, the Pacific Company will perform this service at the rate of fifty cents per locomotive.

21. The General Agent shall keep and furnish monthly to each of the parties hereto accurate accounts of the Working Expenses of the Joint Premises, but if in the opinion of the Pacific Company such accounts can be more economically kept by the ordinary staff of the Pacific Company and from time to time rendered to the Transcontinental this may be done, provided that if the Pacific Company keep the accounts, then the books, accounts and other documents relating thereto shall be open to the inspection and correction of the Transcontinental.

22. For the purpose of apportioning the Working Expenses of the Joint Premises the General Agent shall keep and render to each party hereto monthly an account of every vehicle carrying passengers or freight, and of every engine which forms part of any train arriving at and also of any train leaving the Joint Premises in the ordinary course of its passenger and freight business, each such vehicle and each such engine being counted once on entering and once on leaving, except that each such vehicle and each such engine destined to or from any steamship wharf, or to or from any tracks outside the Joint Premises which may be used jointly by the parties hereto, or to or from the connection between the railway of any company or corporation other than the parties hereto and the Joint Tracks, shall be counted only once in its passage over the Joint Tracks or any portion thereof to or from such wharf or connection; PROVIDED, HOWEVER, that no record shall be taken of any engine engaged in shunting or switching operations within or about the Joint Premises, or when moving to or from engine houses wherever situate of either of the parties hereto, or of any vehicle when switched to or from any siding connecting with the Joint Tracks; AND PROVIDED FURTHER that such accounts shall show separately the number of passenger and freight trains, engines and cars or vehicles and such other particulars as may be necessary to enable His Majesty to separate the engines, trains and cars operated over the said Eastern Division from those otherwise operated by His Majesty.

23. The books, accounts and other documents of all kinds of the General Agent shall at all times be open to the inspection and correction of each of the parties hereto.

24. The General Agent shall be guided by economical considerations in detailed working arrangements and shall conduct the same impartially and efficiently as if one company's interests alone were concerned.

25. All rentals or other sums by way of compensation which may be collected for refreshment room, book stalls, shops, advertising or any other purpose, including the use of any portion of the said passenger station property by any party other than the parties hereto, shall from time to time be applied towards payment of the interest on the Capital Account.

26. Any lease to any outside party of any rights in any part of the Joint Premises shall be by and in the name of the Pacific Company, as lessors or sub-lessors, for the benefit of both parties to these presents, and the rentals or other compensation arising therefrom shall be applied towards payment of the interest on the Capital Account, and the responsibility for collecting the rents shall be with the General Agent, and the loss or gain in collecting and getting in the said rents shall be debited or credited accordingly, but if in the opinion of the Pacific Company the collection of such rents can be carried on more satisfactorily by its ordinary staff, this may be done, provided that in such case the books, accounts and other documents relating thereto shall be open to the inspection and correction of the Transcontinental.

27. All tolls which shall be received for cars loaded at one point on the Joint Premises and switched for unloading at another point thereon and for cars switched from or to any interchange track connecting the Joint Tracks with the lines of any railway company not a party to this agreement to or from any point on the Joint Tracks shall be credited to the account of Working Expenses; PROVIDED, HOWEVER, AND IT IS HEREBY UNDERSTOOD AND AGREED that the provisions of this paragraph shall not be deemed to apply to any car or cars originating at or destined to any point on the Joint Premises in respect of which either of the parties hereto performs a road-haul, it being the intention of the parties that any revenue derived from switching any such car or cars shall be credited to the party over whose line such car or cars moves from or to the Joint Premises.

28. All tolls and revenue that shall be derived from car demurrage, storage of freight and baggage shall be credited to the account of the Working Expenses of the Joint Premises.

29. Neither this agreement nor anything herein contained shall in any way limit the right of the Pacific Company to grant to any other railway company or companies privileges in respect of the Joint Premises or any part thereof upon such terms as the Pacific Company may deem proper;

PROVIDED, HOWEVER, that upon the admission of any other railway company or companies to the use or benefit of the Joint Premises or any portion thereof in conjunction with the Pacific Company and the Transcontinental, there shall be an equitable readjustment of the rentals to be paid by the Transcontinental, under the provisions of paragraph nineteen hereof, due regard being had to the extent of the use and benefit by or to the parties hereto and any such other company or companies, and in the event of the parties hereto being unable to agree upon any such readjustment, the same shall be determined by arbitration as provided by paragraph forty hereof.

30. Each party hereto shall have equal right to use the Joint Premises for all the usual business connected with a passenger and freight railway terminal, and each shall from time to time and at all times hereafter use the Joint Passenger Station as his and its principal passenger station in the City of Quebec.

31. The trains, engines and cars of the Transcontinental and of any railway or company owned, leased, operated or controlled (through stock ownership or otherwise) by the Transcontinental shall be considered the trains, engines and cars of the Transcontinental, and the Transcontinental shall have the right to operate the same into and out of the Joint Premises under the terms of this agreement, and likewise the trains, engines and cars of the Pacific Company and of any railway or company owned, leased or controlled (through stock ownership or otherwise) by it or operated as part of the Canadian Pacific Railway System shall be considered the trains, engines and cars of the Pacific Company, which shall have the right to operate the same into and out of the Joint Premises under the terms of this agreement; PROVIDED, HOWEVER, that the Transcontinental shall not assign or transfer any rights or interest in this agreement, or give or assume to give to any other person or corporation any rights or interest in, upon or in respect of the Joint Premises or any part thereof, nor shall the Transcontinental, except to the extent in this paragraph provided, undertake to operate the traffic of any other railway company into or out of the Joint Premises under cover of this agreement, and any assignment or transfer or any instrument contrary to this paragraph shall be void and of no effect.

32. Equal facilities shall be afforded at the said passenger station to each party hereto for advertising his or its own business and that of his or its connections.

33. There shall be no touting or canvassing for passengers or freight on the Joint Premises on behalf of either party.

34. Neither party shall be required or be liable to insure any property of the other party, nor shall the working expenses aforesaid include any outlay on account of insur-

ance of the cars, carriages, engines or other property of any kind of either party or which may be in its charge.

35. Except as may from time to time be otherwise agreed on between the parties hereto, all buildings and erections and all furniture and equipment forming part of the Joint Premises shall be insured against losss or damage by fire, if it can be done, and the cost of so doing shall be part of the working expenses, and if and as often as any of the buildings or other property forming part of the Joint Premises be destroyed in whole or in part by fire or other casualty the same shall be rebuilt or replaced without delay, either according to its former design or such other design, if any, as the parties hereto may agree upon, and the cost of so doing, less the amount of insurance, if any, which may be received in respect of the destruction or damage thereof, shall be added to the Capital Account, and the Pacific Company shall find the necessary funds, and they shall form part of the Capital Account and bear interest as in the case of providing or constructing additional railway facilities and appurtenances as provided for in paragraph eight hereof.

36. Inasmuch as large sums have already been and will before the final completion of the Joint Premises be required to be paid out, the aggregate of which sums it is above agreed shall be charged to Capital Account, it is agreed that the interest on these sums at the rate of four and one-half per centum (4½%) per annum from the date of the outlay until the completion of the work and the interest has commenced to run on the whole Capital Account shall be divided and His Majesty shall quarterly, computing from the execution of these presents, pay to the Pacific Company one-half of the said interest, and the Pacific Company shall pay the other half, and the first of such payments by His Majesty shall include such interest to the date of payment on all amounts already expended on capital account, the intention being that said interest shall be paid and only the principal expended shall be carried to Capital Account.

37. His Majesty, for himself and his successors, doth hereby covenant with the Pacific Company, its successors and assigns, that His Majesty and his successors will from time to time and at all times hereafter perform, observe and fulfill the terms and conditions hereinbefore contained and on his and their part intended to be performed, observed and fulfilled and will duly pay all moneys on his or their part intended to be paid, as and when they ought to be paid according to the terms and conditions in this Agreement contained.

38. The Pacific Company, for itself and its successors, doth hereby covenant with His Majesty and his successors that the Pacific Company and its successors will from time

to time and at all times hereafter perform, observe and fulfill the terms and conditions hereinbefore contained and on its and their part intended to be performed, observed and fulfilled, and will duly pay all moneys as and when they ought to be paid according to the terms and conditions herein contained; and further, that His Majesty and the Transcontinental and his and its successors paying his and its share of interest as hereinbefore in this agreement mentioned and performing, observing and fulfilling the covenants and terms and conditions herein contained and on his, its and their part intended to be performed, observed and fulfilled, shall from time to time and at all times hereafter have the right and easement subject to the terms hereof, jointly with the Pacific Company to use and occupy and have the full benefit of the Joint Premises and all properties intended to be covered by that expression according to the terms of this agreement and of all the rents, issues and profits thereof in the respective proportions and on the terms and conditions hereinbefore in this agreement set forth without interruption or interference by the Pacific Company or any other party or parties whomsoever claiming under them; PROVIDED, HOWEVER, AND IT IS HEREBY AGREED that in the event of the Transcontinental failing to pay the interest as aforesaid for the period of six (6) months after demand made, or failing for the like period to observe and perform the covenants and agreements in this agreement contained and on its part to be observed and performed, the Pacific Company shall have the right thereupon to terminate this agreement by notice in writing under its Corporate Seal; PROVIDED, FURTHER, that in any case in which any difference shall be submitted to arbitration under the provisions hereof in respect of the particular default by reason of which it is sought to exercise such right of termination, then the interval between the service of notice of intention to refer and the publication of the arbitrators' award shall not, in respect of such particular default, be deemed to be included in the period of six (6) months above referred to; PROVIDED, FURTHER, that nothing herein contained shall relieve the Transcontinental of its obligation hereunder to pay its share of interest and the other moneys payable by it hereunder at the times and in the manner herein before provided for, and if such difference in any particular case be as to the amount payable by the Transcontinental, the Transcontinental shall, nevertheless, pay to the Pacific Company the amount alleged by the Pacific Company to be owing, but shall be entitled to recover back any excess which the arbitrators may find to have been paid by it.

39. Each of the parties hereto agrees to carry out and give effect to this agreement in the most liberal and reasonable manner and operate the business so as to afford facilities

to each other to the fullest extent compatible with safety and the convenient operation of the business of both.

40. Any difference which may arise under this agreement either as to its construction or respecting the carrying out of the same according to the true intent and meaning thereof shall, if it cannot be amicably adjusted by the parties hereto, be submitted to arbitration in the following manner: the party desiring such reference shall appoint an arbitrator and give notice thereof and of intention to refer to the other party who shall within thirty days after receipt of such notice appoint on its behalf an arbitrator in default of which such an arbitrator on behalf of such other party may be appointed by one of the Judges of the Superior Court of the Province of Quebec, upon the application of the party desiring such reference after ten days' notice to the other party. The two arbitrators so appointed or selected shall select a third and the award of the said three arbitrators or a majority of them made after due notice to both parties of the time and place of hearing the matter referred and hearing the party or parties who may attend shall be final and binding on both parties to this agreement, and the parties hereto expressly agree to abide thereby. In case the two arbitrators first appointed fail to appoint a third within ten days after they have both been appointed, then the third arbitrator may be appointed by one of the Judges of the Superior Court of the Province of Quebec on application of either party after ten days' notice to the other. In case of death or refusal or inability to act of any arbitrator, or if for any cause the office of any arbitrator becomes vacant, his successor shall be appointed in the same manner as is provided for his appointment in the first instance, unless the parties otherwise agree.

41. This agreement shall, subject to the sooner termination thereof herein provided, continue in force for a period of twenty years from the date hereof, provided, however, that His Majesty will enact the necessary legislation confirming and ratifying this agreement and making it effective during the term of ninety-nine years from the date hereof, and when so ratified and confirmed this agreement shall be and continue in force for the said term of ninety-nine years from the date hereof.

42. Should it be found in practice that cases and events may arise or happen that have not been provided for herein, all disputes and differences which may arise respecting the same shall on the application of either party be decided by the Board of Railway Commissioners for Canada, and the parties covenant each with the other to do and perform whatever the Board may order or direct on such application, and it is agreed that such order shall be final, binding and without appeal.

43. Neither this agreement, nor anything herein contained shall be construed or used to prejudice, take away or impair any right which before, or but for the execution of this agreement any other company had, or would hereafter have to apply for, and obtain from the Board of Railway Commissioners for Canada any Order respecting the right to the use of the Joint Premises under the provisions of the Railway Act of Canada.

44. The agreement between the parties hereto dated the eighteenth day of March, 1914, is hereby cancelled and annulled to all intents and purposes.

45. All notices to be given in this agreement shall be in writing and may be served by mailing them in a prepaid registered letter to the Honourable the Minister of Railways and Canals, at Ottawa, Ontario, for the parties of the second part, and to the President of the Canadian Pacific Railway Company, at Montreal, P.Q., for the party of the first part.

IN WITNESS WHEREOF the Pacific Company has hereunto caused its corporate seal to be affixed under the hands of its duly qualified officials and His Majesty has caused these Presents to be signed by the Honourable the Minister of Railways and Canals for the Dominion of Canada, and countersigned by the Secretary of the same Department, and the said the Honourable the Minister of Railways and Canals has also signed these presents as Commissioner of the Transcontinental Railway, acting pursuant to the provisions of the statute and Order-in-Council in that behalf.

WITNESS:

CANADIAN PACIFIC RAILWAY COMPANY

(Sgd) SHAUGHNESSY,
President.

[L.S.] (Sgd) H. C. OSWALD,
Assistant Swcretary.

As to execution on behalf of His Majesty the King.

[L.S.] (Sgd) F. COCHRANE,
Minister of Railways and Canals.

(Sgd) C. P. BUCKLEY

(Sgd) J. W. PUGSLEY,

[L.S.] (Sgd) F. COCHRANE,
Commissioner of the Transcontinental Railway.

SCHEDULE B.

This Agreement dated as of the first day of January, A.D. 1930,

BETWEEN

CANADIAN PACIFIC RAILWAY COMPANY, hereinafter called the "Pacific Company",

Of the First Part,

—AND—

HIS MAJESTY KING GEORGE V, herein represented and acting by the Honourable the Minister of Railways and Canals of the Dominion of Canada, and THE COMMISSIONERS OF THE TRANSCONTINENTAL RAILWAY, herein represented and acting by the Honourable the Minister of Railways and Canals, pursuant to the Statute and and Order in Council in that behalf, both hereinafter referred to as the "Transcontinental",

Of the Second Part.

WHEREAS by an Agreement, dated the first day of January, 1915, hereinafter referred to as the "Principal Agreement", the Pacific Company did agree to permit the Transcontinental to use jointly with the Pacific Company upon and subject to the terms and conditions therein contained, certain tracks of the Pacific Company in and near the City of Quebec in the Province of Quebec, and to have the benefit and enjoyment of the passenger and freight stations and terminal facilities of the Pacific Company in the said City for the purposes of a Union Terminal property;

AND WHEREAS by a letter, dated the 6th day of November, 1917, from George Bury, then Vice-President of the Pacific Company, to the Minister of Railways, the Pacific Company did agree to permit the Transcontinental to use jointly with the Pacific Company, upon and subject to the terms and conditions contained in the Principal Agreement, the tracks of the Pacific Company on St. Andrew and Dalhousie Streets and Pointe à Carcy Wharf, in the City of Quebec;

AND WHEREAS the Transcontinental has ceased to use the freight offices, freight sheds and transfer platforms on the Joint Premises;

AND WHEREAS the parties hereto have agreed that the Transcontinental will, upon the completion of the additions and alterations herein provided for, abandon the

use of its Parent Square Station for passenger trains and use the Joint Passenger Station as its principal passenger station in the City of Quebec;

AND WHEREAS the said parties have agreed to alter and amend the Principal Agreement as hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the mutual covenants and agreements herein contained, and notwithstanding anything to the contrary in the Principal Agreement contained, the parties hereto do hereby mutually covenant and agree as follows:

1. *(a)* The words, "Freight Shed Facilities" wherever they occur in this Agreement shall mean and include the freight offices, freight sheds and transfer platforms shown coloured violet on the "Plan B" which is made a part hereof and signed by the Secretaries of the parties hereto for identification.

(b) The words "Supplemental Agreement" wherever they occur in this Agreement or the Principal Agreement as herein amended shall be taken to mean this supplemental agreement between the parties hereto dated as of the first day of January, 1930.

(c) The word "Board" wherever it occurs in this Agreement shall be taken to mean the Board of Railway Commissioners for Canada.

2. The Joint Premises wherever referred to in this or the Principal Agreement shall be deemed to include the tracks of the Pacific Company on St. Andrew and Dalhousie Streets and Pointe à Carcy Wharf, in the City of Quebec, indicated in green on said "Plan B"; and the sum of Thirty-seven thousand, four hundred Dollars ($37,400.00), which has been agreed upon as the value of the said tracks and is included in the Capital Account, shall bear interest at the rate of four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in Paragraph 19 of the Principal Agreement.

3. *(a)* From and after the first day of January, 1930, the Freight Shed Facilities shall, notwithstanding the provisions of Paragraph 30 of the Principal Agreement, and except as hereinafter otherwise provided, be used for railway purposes by the Pacific Company alone, and the Pacific Company shall bear and pay the Working Expenses (except switching, insurance, taxes and maintenance expenses) of that portion of the Freight Shed Facilities which it shall from time to time so use, but the Transcontinental shall continue to pay its full proportions of the interest on Capital Account provided for in Paragraph 19 of the Principal Agreement, and Working Expenses provided for in Paragraph 20 *(c)* of the Principal Agreement as hereby amended, without

any deduction in respect of the Freight Shed Facilities other than the expenses which under the provisions of this Paragraph the Pacific Company is exclusively to bear, but subject to a credit on account of such interest of an amount equal to one-half of all rentals received by the Pacific Company from third parties to whom it may at any time lease any portion or portions of the Freight Shed Facilities as provided for in Paragraph 26 of the Principal Agreement; provided, however, that if in any year during the currency of these presents the tonnage handled by the Pacific Company through the Freight Shed Facilities shall exceed 50,000 tons, the Pacific Company will reimburse the Transcontinental for one-quarter, if it shall exceed 60,000 tons for one-half, if it shall exceed 70,000 tons for three-quarters, and if it shall exceed 80,000 tons for the whole of the net amount paid in respect of such year by the Transcontinental as aforesaid in respect of such Freight Shed Facilities for interest (less rentals) on Capital Account and for Working Expenses, excluding, however, the Transcontinental's proportion of any retirement charges; provided that the highest of any of such mentioned tonnages that is exceeded during each of any two consecutive years shall thereafter always be considered as the minimum tonnage handled by the Pacific Company; provided, further, that in the event of the Freight Shed Facilities being retired in whole or in part there shall be deducted from Capital Account an amount equal to the cost of the whole or portion so retired and such amount (less salvage and/or insurance) shall be charged to Working Expenses of which each of the parties hereto shall assume and bear its proper proportion as provided for by Paragraph 20 *(c)* of the Principal Agreement as hereby amended, and the cost of replacement, whether by facilities of the same or smaller capacity, shall be charged to the Capital Account of the Joint Premises; provided, further, that in the event of a retirement (total or partial) and replacement by facilities of smaller capacity or of a partial retirement without replacement the provisions above set out with regard to reimbursement insofar as they affect the Working Expenses other than retirement charges shall be cancelled and in lieu thereof the parties shall agree on a basis upon which the Pacific Company shall thereafter reimburse the Transcontinental in respect of such Working Expenses other than retirement charges, having regard to the tonnage then being handled by the Pacific Company as compared with the then total reduced tonnage capacity of the said Freight Shed Facilities; provided, further, that in the event of a total retirement the Pacific Company shall

reimburse the Transcontinental for any amounts which it may thereafter have to pay on account of any subsequent retirement unless the said Freight Shed Facilities shall after such first retirement and upon request in writing of the Transcontinental have been replaced by facilities of capacity greater than required for the use of the Pacific Company. The amount included in the Capital Account in respect of such Freight Shed Facilities shall for the purpose of the calculation provided for in this sub-paragraph *(a)* be taken to be One hundred and eighty-seven thousand Dollars ($187,000.00) together with any expenditures made after the date of this Agreement in respect thereof and properly chargeable to Capital Account as distinguished from Working Expenses.

(b) The Transcontinental shall have the right, if it so desires, to resume the full and equal use, benefit and enjoyment of the Freight Shed Facilities upon giving to the Pacific Company three months' notice in writing of such desire (or such shorter notice as may be acceptable to the Pacific Company), stating the date upon which such use is to commence, and from and after such date the provisions of sub-section *(a)* of this Paragraph shall have no further force and effect, and the Freight Shed Facilities shall be used by each of the parties hereto as its principal freight shed facilities in the City of Quebec. Upon receipt of such notice by the Pacific Company the parties will negotiate an agreement on a user basis in respect of the apportionment of the Working Expenses of the Freight Shed Facilities, which agreement shall take effect as of the date mentioned in such notice. In the event of the Transcontinental exercising such privileges, if either party so desires, each party shall employ its own freight office staff and suitable space shall be provided for each staff in the joint freight office, such space for each party to be relatively equal in location and importance, due regard being had to the volume of business being done by each at the joint freight sheds, and each party shall pay its own freight office staff and supply its own stationery, but all other freight office expenses shall be joint.

(c) The Transcontinental shall have the same rights as the Pacific Company to have cars placed for loading or unloading at any portions of the freight sheds which may be leased by the Pacific Company to any third party.

4. The Transcontinental shall, as soon as conveniently may be, acquire such portions of the lands edged in yellow on said "Plan B" as it has not already acquired, and shall lease the whole of the said lands shown edged in yellow

to the Pacific Company as from the 1st day of January, 1930 (or from such subsequent dates upon which the Transcontinental shall obtain title thereto in cases where title has not already been obtained by the Transcontinental), and during the term ending the 31st day of December, 2013, at an annual rental to be paid quarterly on the first days of January, April, July and October, being at the rate of four and one-half per centum (4½%) per annum, on the total amount (including all legal and other expenses) paid by the Transcontinental in connection with the acquisition of the said parcels of land. The parcels of land referred to herein shall be included in and become part of the Joint Premises and the Transcontinental shall, in addition to the payments provided for by Paragraph 19 of the Principal Agreement, and in like manner pay to the Pacific Company in each year during the currency of this Agreement, a sum equal to one-half the aforesaid rental of lands acquired by the Transcontinental pursuant to the provisions of this Paragraph.

5. The Pacific Company will make such alterations in and additions to the tracks, buildings and facilities comprised in the Joint Premises as may be required for the use of the parties hereto, and as are generally indicated in red on said "Plan B". The expense in connection therewith shall be apportioned between Capital Account and Working Expenses and the amounts which are properly chargeable to Capital shall be added to the Capital Account and bear interest at the rate of four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in Paragraph 19 of the Principal Agreement; and the amounts which are properly chargeable to Working Expenses shall be added to the working expenses of the Joint Premises and shall be borne by the parties hereto accordingly. The additional tracks, buildings, structures and facilities so constructed shall thereafter be included in and be maintained as part of the joint Premises. All plans and estimates of cost of such structures and tracks shall be subject to the approval of the Chief Engineer of the Transcontinental.

6. *(a)* The Transcontinental shall have the right, subject to the approval of the Pacific Company and the Board, and upon and subject to the terms and conditions herein and in the Principal Agreement contained and the observance and performance thereof by the Transcontinental, to have its exclusive tracks connected with the Joint Tracks at the point "X" on the said "Plan B" and at such additional point or points as shall from time to time be approved by the Pacific Company, which approval shall not be unreasonably withheld.

(b) If by reason of the fact that the Transcontinental may connect its tracks with the Joint Tracks at any additional point or points as provided for in sub-paragraph *(a)* of this Paragraph, or that any exclusive track of the Pacific Company may now or at any time hereafter be connected with the Joint Tracks, it may at any time or times be desirable that the Joint Premises be divided into zones for the more equitable apportionment of the Working Expenses between the parties hereto, the party whose exclusive track is so connected shall have the right upon giving thirty (30) days' previous notice in writing to the other party to have the Joint Premises so divided or re-divided into zones, and the parties will endeavour from time to time to agree upon such a division or re-division, and if at any time there should arise any dispute or difference between the parties in regard to such division or re-division, the same shall be submitted to arbitration in the manner provided for in Paragraph 40 of the Principal Agreement; provided, however, that in the event of the subsequent removal of any connection in respect of which the Joint Premises shall have been divided into zones, such particular division into zones shall thereupon be discontinued and the Joint Premises shall be treated as though such connection had never existed.

(c) In the event of any such connection being established it shall be constructed and thereafter maintained by the Pacific Company but at the expense of the party whose exclusive tracks are so connected, and the Pacific Company shall, at the like expense, install, maintain and operate such interlocking and other protective appliances, if any, as may be necessary at the point of junction (including interlocking connections within the interlocking zones on the lines of both parties hereto), and shall, at the like expense, from time to time install, maintain and operate such other appliances (including alterations in any then existing appliances) for the protection or maintenance of, or in connection with the said junction as may be required or approved by the Board; provided that if in any case interlocking or other protective appliances are installed or rearranged for the protection of the junction with the exclusive tracks of either party and for some other purpose as well, the proper proportions of the cost of installation or rearrangement and maintenance and operation thereof applicable to such exclusive junction and to the various other purposes for which such appliances are designed shall be determined in accordance with the function values prescribed from time to time by the Signal Section of the

American Railway Association. Any materials used in connection with the installation and maintenance of any interlocking or other protective appliance, as aforesaid, shall be and remain the property of the party for whom it is installed, and may be removed by it at its own expense upon the termination of this Agreement.

7. From and after the date of this Agreement the Joint Passenger Station shall, unless otherwise mutually agreed upon by the parties hereto, be used by each of the said parties as its principal passenger station in the City of Quebec, and shall be known as the "Palais Union Station," and all signs and notices of every description and the badges on the uniforms of all employees (excepting the members of the regular police force of the Pacific Company) shall bear the words "Palais Union Station" and no other designation. The ticket offices of each of the parties hereto shall be indicated by appropriate signs of a design to be agreed upon by the parties hereto.

8. The Principal Agreement is amended by striking out Paragraph 20 thereof and substituting the following:

"20. The Transcontinental shall, in addition to all other payments herein provided for, pay to the Pacific Company:

1. The proportions of the Working Expenses of the Joint Premises hereinafter provided for:

(a) Such proportion of the Joint Passenger Station Working Expenses, except for maintenance of tracks and switching, as the number of passenger cars and engines of the Transcontinental entering and leaving such passenger station bears to the total number of passenger cars and engines so entering and leaving such station, computed as provided in Paragraph 22 *(a)* hereof;

(b) Such proportion of the Joint Coach Yard Working Expenses, including car inspection, oiling, watering, icing, gassing, charging, ordinary cleaning, heating, maintenance of facilities (other than tracks) and operation (other than switching), as the number of passenger cars handled by the Joint Coach Yard staff for the Transcontinental bears to the total number of passenger cars handled by such staff, computed as provided in Paragraph 22 *(b)* hereof;

(c) Subject to the provisions of Paragraph 3 of the Supplemental Agreement, such proportion of all other Working Expenses (including switching and maintenance of all joint tracks) as the number of cars and engines of the Transcontinental of all classes passing over any portion of the Joint Tracks bears to the total number of cars and engines of all classes passing over any portion of the Joint Tracks, computed as provided in Paragraph 22 *(c)* hereof;

2. If so desired by the Transcontinental, the Pacific Company shall furnish train supplies required by the Transcontinental and labour and materials required for any ordinary and necessary running repairs and special services to cars at cost plus the percentages provided in Paragraph 11 of the Supplemental Agreement;

provided, however, that while it is understood and agreed that the switching service included in the General Working Expenses under sub-paragraph 1 *(c)* hereof shall include the turning by the joint switching engines of equipment of either party on wye tracks and the switching of Interchange Tracks, in either case connected with or adjacent to the Joint Premises, the time consumed off the Joint Premises in switching to and from any steamship wharf shall be deducted from the total time consumed in switching service and be charged to the party for whose benefit such switching is performed; provided, further, that in the event of the establishment of zones pursuant to the provisions of Paragraph 6 *(b)* of the Supplemental Agreement, the Working Expenses referred to in sub-paragraph 1 *(c)* of this Paragraph shall be kept separately for each zone and shall be borne by the parties hereto in the proportion which the number of cars and engines of each party of all classes, passing over each zone, or any portion thereof, shall bear to the total number of cars and engines passing over said zone, or any portion thereof, computed as provided in Paragraph 22 *(c)* hereof."

9. The Principal Agreement is amended by striking out Paragraph 21 thereof and substituting the following:

"21. The General Agent shall keep and furnish monthly to each of the parties hereto accurate accounts of the Working Expenses of the Joint Premises, but, if in the opinion of the Pacific Company such accounts can be more economically kept by the ordinary staff of the Pacific Company and from time to time rendered to the Transcontinental, this may be done; provided that, if the Pacific Company keep the accounts, it will from time to time and at all times during the continuance of this Agreement, allow proper inspection by the Transcontinental of all books, accounts, returns and vouchers for the purpose of checking or verifying any account or accounts rendered by the Pacific Company to the Transcontinental in pursuance of this Agreement, and the Transcontinental shall have the right from time to time to employ an auditor or auditors to investigate the accuracy of any such account or accounts, and the Pacific Company shall from time to time afford all proper facilities for such investigation; and neither the acceptance of any such account or accounts nor the payment thereof by the Transcontinental shall prejudice its right to an audit or verification; and, if upon any such

audit or verification or at any time it shall be found that the Transcontinental has paid to the Pacific Company any sum or sums of money which it was not liable to pay under the provisions of this Agreement, it shall be entitled to demand and collect the same from the Pacific Company, and the Pacific Company shall refund the same, provided, however, that such right of inspection in respect of Working Expenses shall be exercisable only within one year after the rendering of the account or accounts sought to be checked or verified, and any account not found to be incorrect within such period of one year shall not thereafter be subject to objection or change, and, further, that the Pacific Company shall not in any account make any charge in respect of any service performed or material furnished hereunder in connection with maintenance and operation prior to the period of one year before the rendering of such account unless notice be given in respect of such adjustment before the expiry of that period."

10. The Principal Agreement is amended by striking out Paragraph 22 thereof and substituting the following:

"22. For the purpose of apportioning the Working Expenses of the Joint Premises, according to the terms of this Agreement, the General Agent shall keep and render monthly to each party hereto an account of wheelage computed as follows:

(a) Passenger Station Wheelage.—Cars and engines in passenger trains entering and leaving the Joint Passenger Station shall be counted once upon entering and once upon leaving, provided, however, that through cars and through engines in passenger trains entering and leaving the passenger station shall be counted only once;

(b) Coach Yard Wheelage—Each car handled by the Joint Coach Yard Staff shall be counted once;

(c) General Wheelage—Cars and engines of all classes passing over the Joint Tracks, or any portion thereof, shall be counted once on entering and once on leaving the Joint Tracks; provided, however, that through cars and through engines in passenger trains entering and leaving the passenger station shall be counted once only in their passage over the Joint Tracks or any portion thereof;

and provided, further, that the following movements shall not be counted:

(1) Freight and switching engines entering or leaving the Joint Premises and engines engaged in switching operations within or about the Joint Premises;

(2) Cars switched for heavy repairs to and returned from the repair yard of either party in the Quebec Terminal Area;

(3) Cars and engines in joint work train service;

(4) Cars and engines moving between the Joint Tracks and any of the following:

(a) Any steamship wharf reached through any connection with the Joint Premises;

(b) Any private or team track siding connecting with the Joint Tracks;

(c) Any tracks outside the Joint Premises which may be used jointly by the parties hereto for turning equipment;

(d) Any connection between the Joint Tracks and the railway of any Company or Corporation other than the parties hereto;

(e) Any engine house or Stores Department facilities of either of the parties hereto situated in the Quebec Terminal Area;

provided, further, that should the conditions so change that the provisions of this paragraph shall operate unfairly to either of the parties hereto, such provisions may be varied from time to time by a written memorandum signed by the duly authorized representatives of the Accounting Departments of the parties hereto."

11. It is understood and agreed that in the cost of carrying out any work or the performance of any service whether chargeable to Capital Account or Working Expenses, there shall be included in addition to the actual cost, a charge of ten per centum (10%) on labour for supervision, one per centum (1%) on amounts paid contractors, and fifteen per centum (15%) on materials and supplies, other than coal, for handling, and that when any materials or supplies, other than coal, are furnished by the Pacific Company to the Transcontinental the charge therefor shall include, in addition to the actual cost, fifteen per centum (15%) on materials and supplies for handling, which additional charges are agreed upon as reasonable for the purposes mentioned, but may be varied from time to time by the Accounting Officers of the parties hereto.

12. The Principal Agreement is amended by striking out Paragraph 28 thereof and substituting the following:

"28. All revenue derived from the assessment of car demurrage on the Joint Premises shall accrue to the party making such assessment, except demurrage accruing on cars used in earning the tolls referred to in Paragraph 27 of this Agreement, which shall be credited to Working Expenses of the Joint Premises. The revenue from the storage of baggage and the checking of parcels shall be credited to the Passenger Station Working Expenses."

13. This Agreement shall be read as supplemental to and one with the Principal Agreement, all the terms and conditions of which shall, except insofar as they may be

inconsistent with the provisions of this Agreement, be deemed to apply to the construction, maintenance and operation of all tracks and facilities which may be constructed, maintained and operated under the provisions hereof, it being understood that in any case of inconsistency the provisions of this Agreement shall be taken to override the provisions of the Principal Agreement; provided, however, that without in any way restricting the application of this Agreement or the generality of the foregoing provision, the Principal Agreement shall (in addition to the amendments hereinbefore provided for) be amended in particular as follows:

(a) By striking out all reference to the points indicated by the letters "B" and "C" in the preamble and in Paragraphs 2 and 6;

(b) By striking out Paragraph 9;

(c) By inserting the words "and commercial telegraph" after the word "ticket" in the sixteenth line of Paragraph 12, and adding the words "and commercial telegraph operators" at the end of said paragraph.

14. This Agreement shall, subject to the sooner termination of the Principal Agreement, as therein provided, continue in force from the date hereof for the term of twenty (20) years computed from the first day of January, 1915; provided, however, that His Majesty will enact the necessary legislation confirming and ratifying the Principal Agreement and this Supplemental Agreement and making the Principal Agreement as varied and/or supplemented by this Supplemental Agreement effective during the term of ninety-nine (99) years from the first day of January, 1915, and when so ratified and confirmed this Agreement shall be and continue in force and effect until the thirty-first day of December, 2013, unless sooner terminated as provided in the Principal Agreement.

IN WITNESS WHEREOF the Pacific Company has hereunto caused its Corporate Seal to be affixed under the hands of its duly qualified officials and His Majesty has caused these presents to be signed by the Honourable the Minister of Railways and Canals for the Dominion of Canada, and countersigned by the Secretary of the same Department, and the said the Honourable the Minister of Railways and Canals has also signed these presents as The Commissioners of the Transcontinental Railway, acting pursuant to the provisions of the Statute and Order in Council in that behalf.

CANADIAN PACIFIC RAILWAY COMPANY

(SEAL) A. D. McTIER,
Vice-President.

H. C. OSWALD,
Assistant Secretary.

R. J. MANION,
Minister of Railways and Canals.

(SEAL) J. W. PUGSLEY,
Secretary.

THE COMMISSIONERS OF THE TRANSCONTINENTAL RAILWAY

R. J. MANION,
Commissioner.

(SEAL)

As to execution on behalf of His Majesty and the Commissioners of the Transcontinental Railway,

C. P. BUCKLEY.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 25.

An Act to ratify and confirm an agreement respecting the joint use by His Majesty and the Commissioners of the Transcontinental Railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

AS PASSED BY THE HOUSE OF COMMONS, 19th MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74309 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 25.

An Act to ratify and confirm an agreement respecting the joint use by His Majesty and the Commissioners of the Transcontinental Railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Agreement and supplementary agreement ratified.

1. The agreement made between Canadian Pacific Railway Company, of the First Part, and His Majesty King George the Fifth, represented by the Honourable the Minister of Railways and Canals of the Dominion of Canada, and The Commissioners of the Transcontinental Railway, of the Second Part dated the first day of January, 1915, a copy of which forms Schedule A to this Act, and the supplementary agreement made by the said parties dated as of first day of January, 1930, a copy of which forms Schedule B to this Act, are hereby ratified and confirmed and declared to be valid and binding on the parties thereto in all respects whatsoever, as fully and completely as if the said agreements were set out at length and enacted in this Act, and, subject to the provisions of the *Railway Act*, the parties to the said agreements are hereby authorized and empowered to do whatever may be necessary on their respective parts to give full effect to the provisions of the said agreements.

R.S., c. 170.

Explanatory Note

The object of this Bill is to ratify and confirm an Agreement and Supplementary Agreement between the Canadian Pacific Railway Company, His Majesty the King, and the Commissioners of the Transcontinental Railway for the joint use of certain tracks and premises at the City of Quebec, consisting of property originally contained in the Canadian Pacific Railway Company's terminals and additional property acquired by The Commissioners of the Transcontinental Railway and leased to the Canadian Pacific Railway Company for the purposes of the Agreements, and thus validating the Agreements for the full period of 99 years from the first day of January, 1915, unless sooner terminated in accordance with the provisions of the Agreements.

SCHEDULE A.

This Agreement made this first day of January,

A.D., 1915,

BETWEEN

THE CANADIAN PACIFIC RAILWAY COMPANY, hereinafter referred to as the "Pacific Company", of the First Part

AND

HIS MAJESTY KING GEORGE THE FIFTH, herein represented and acting by the Honourable the Minister of Railways and Canals of the Dominion of Canada, and hereinafter referred to as "His Majesty", and The Commissioners of The Transcontinental Railway, herein also represented and acting by the said the Honourable the Minister of Railways and Canals, pursuant to the statute and Order-in-Council in that behalf, of the Second Part.

Whereas, on behalf of and for the benefit of the Eastern Division of the National Transcontinental Railway and of all railways now or hereafter operated and controlled by the Government of Canada while so operated and controlled, His Majesty and the said Commissioners, desire to obtain track connections between the said Railway and the railway of the Pacific Company at the points indicated by the letters "A", "B", and "C" on the plan hereto annexed, and to operate the trains of the said railways upon and over certain tracks of the Pacific Company in and near the City of Quebec in the Province of Quebec, and to have the benefit and enjoyment of the passenger and freight stations and terminal facilities of the Pacific Company in the said City for the purposes of a Union Terminal property;

And Whereas the Pacific Company has agreed thereto upon and subject to the terms, conditions and provisions hereinafter contained;

Now, therefore, this agreement witnesseth that in consideration of the premises and of the mutual covenants and agreements of the parties hereto hereinafter contained, the parties hereto, for themselves and their respective successors and assigns, do hereby mutually covenant and agree as follows:

1. (a) "Transcontinental" wherever mentioned herein shall be deemed to refer to and include His Majesty and the Eastern Division of the National Transcontinental Railway and all railways which are now or may hereafter be leased or operated by the Government of the Dominion

of Canada or any Board, Commission, person or corporation from time to time duly authorized by His Majesty to construct or operate such railways or any of them;

(b) "Joint Tracks", wherever mentioned herein, shall be deemed to refer to the tracks of the Pacific Company indicated in red upon the said plan, and all additional railway tracks which may from time to time be constructed by the Pacific Company for the joint use of the parties hereto under the terms of this agreement;

(c) "Joint Premises", wherever mentioned herein, shall be deemed to refer to and include the Joint Tracks and the roadbed thereof, telegraph lines and telephone lines (as provided by paragraph three hereof), the lands now owned by the Pacific Company shown edged in green on the said plan and those heretofore and hereafter acquired by the Transcontinental, and leased to the Pacific Company, as hereinafter provided, shown edged in yellow thereon, the said passenger and freight stations and terminal facilities of the Pacific Company at or near Quebec, situate upon the said lands, or any portion thereof, and all additional lands, railway facilities and appurtenances which may, pursuant to paragraphs seven, eight or nine hereof or by mutual agreement between the parties hereto be acquired, set apart, provided or constructed for the use or benefit of the parties hereto upon or under the terms of this agreement;

(d) "Working Expenses", wherever mentioned herein, shall be deemed to refer to all reasonable expenses whatsoever of or incidental to the maintenance and operation of a railway terminal, including all salaries, wages, supplies, maintenance and renewal of tracks, switches, signals, buildings, furniture and equipment, taxes, insurance, lighting, heating, water supply and rental of equipment.

2. The Pacific Company shall, upon and subject to the terms and conditions hereinafter contained, and to the observance and performance thereof by the Transcontinental construct and maintain during the continuance of this agreement, the connections between the tracks of the Transcontinental and the Pacific Company at the point indicated by the letter "A" on the said plan, and also, when desired by the Transcontinental, at the points indicated by the letters "B" and "C" thereon, and shall likewise during the continuance of this agreement, permit the Transcontinental to operate its trains upon and over the Joint Tracks and to have the full and equal use and benefit and enjoyment of the Joint Premises in conjunction with the Pacific Company and any other company or companies to which the Pacific Company may grant similar privileges, the expense of and incidental to the original construction of each of the said connections to be borne by the Transcontinental and the expense of the maintenance

of the portions of the said connections within the limits of the Joint Premises to be included in the Working Expenses of the Joint Premises and borne by the parties hereto accordingly; Provided always, and it is hereby agreed, that no other company shall be given any similar rights or privileges on any more favorable terms than those herein contained, and that in the event of any such other company or companies being granted similar rights or privileges by the Pacific Company a readjustment of the rentals payable by the Transcontinental hereunder shall take place, as provided by paragraph twenty-nine hereof.

3. The Pacific Company shall likewise, upon and subject to the terms and conditions hereinafter contained, and to the observance and performance thereof by the Transcontinental, permit the Transcontinental at its own expense, to provide and attach its own crossarms and pins to the telegraph poles of the Pacific Company on the Joint Premises and to string, operate and maintain thereon the telegraph and telephone wires of the Transcontinental. The maintenance and renewal of the said poles shall be done by the Pacific Company and the expense thereof shall be borne by the parties hereto in proportion to the number of pins exclusively used by each from time to time on the said joint pole line. The Pacific Company shall also operate, maintain and renew any wire or wires used in connection with the operation of the trains, engines and cars upon and over the Joint Tracks, and the expense thereof shall be added to the Working Expenses of the Joint Premises and shall be borne by the parties hereto accordingly. All work performed under the provisions of this paragraph, whether by the Transcontinental or the Pacific Company, shall be under the supervision of the Superintendent of Telegraphs of the Pacific Company having charge of that portion of its telegraph lines.

4. For the purposes of this agreement, the value, as of the eighteenth day of March, 1914, of the Pacific Company's property, shown edged in green on the said plan, including the then existing tracks, railway facilities and apppurteances (excluding buildings) situate thereon shall be deemed to be two million seven hundred and seventy-four thousand two hundred and fifty dollars ($2,774,250) which shall form the capital account and shall bear interest from the first day of January, One thousand nine hundred and fifteen, at the rate of four and one-half per centum (4½%) per annum.

5. The Transcontinental shall, as soon as conveniently may be, acquire such portions of the lands edged in yellow on the said plan, as it has not already acquired, and shall lease the whole of said lands shewn edged in yellow to the Pacific Company from the date hereof (or from the dates upon which possession shall be given in any cases in which

possession has not already been given to the Pacific Company) and during the term ending the thirty first day of December, two thousand and thirteen, at an annual rental equal to four and one-half per centum (4½%) per annum to be paid quarterly on the first days of January, April, July and October, on the amounts which have been or shall be agreed upon between the parties hereto or fixed in expropriation proceedings by the Exchequer Court of Canada as the value of the several parcels of land acquired or to be acquired by the Transcontinental under the provisions of this paragraph, including all legal and other expenses incurred or to be incurred by both parties hereto in connection with the acquisition thereof (it being understood that the Pacific Company shall be credited with three thousand four hundred dollars ($3,400.00), being the amount of such expenses incurred by it, against the payment of interest to be made by it under the proviso contained in this paragraph), and the Pacific Company shall hold the said lands for the use and benefit of the parties hereto under the provisions of this agreement; Provided, and it is hereby understood and agreed that in addition to the rental so to be paid to the Transcontinental, the Pacific Company shall also pay to it one-half of each amount, paid or to be paid by the Transcontinental with the approval of the Pacific Company or under a judgment of the Exchequer Court of Canada in expropriation proceedings as interest upon the value of any of said parcels of land, and such interest shall not be included as part of the value of said parcels of land upon which rental is to be paid under the provisions of this paragraph.

6. The Pacific Company shall, when necessary, provide and construct the interlocking and other protective appliances required at the point of junction marked "A" on the said plan (including the interlocking connections with all the Joint Tracks and the interlocking and other appliances on the lines of the Pacific Company within the interlocking zone), and the Pacific Company shall also provide and construct such other appliances for the protection of or in connection with any of the junctions marked "A", "B" and "C" on the said plan as may at any time be required or ordered by the Board of Railway Commissioners for Canada; all expense of and incidental to the provision and construction of all such protective appliances shall be added to Capital Account and bear interest at the rate of four and one-half per centum (4½%) per annum payable at the times and in the manner provided in paragraph nineteen hereof; all such interlocking and protective appliances shall after construction be maintained and operated by the Pacific Company, and the expense of maintenance and operation shall be borne by the parties hereto in equal shares.

7. The Pacific Company shall from time to time during the continuance of this agreement acquire and set apart for the use and benefit of the parties hereto upon and under the terms of this agreement such lands at Quebec, in addition to those edged in green and yellow respectively upon the said plan, as in the opinion of the parties hereto may be required for the purpose of completing the Union Terminal Property, as shown on plans to be finally agreed upon, or for the accommodation of the traffic and business of the parties hereto intended to be carried on and done hereunder on the Joint Premises; and the cost of such additional lands, including all expenses of or incidental to the acquisition and setting apart thereof, shall from the date of such acquisition and setting apart be added to the capital account and shall bear interest at four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in paragraph nineteen hereof.

8. (a) The Pacific Company shall from time to time during the continuance of this agreement provide or construct upon any land which shall at such time or times be comprised in the Joint Premises such additional railway facilities and appurtenances (including new passenger and freight station buildings and industrial sidings) as in the opinion of the parties hereto may be required for the operation and handling of the traffic and business of the parties hereto and shall re-arrange, re-build, alter or make permanent improvements, additions or extensions to or substitutions for any railway facilities or appurtenances (including buildings) now or at any time hereafter comprised in the Joint Premises as in the opinion of the parties hereto may be required, and shall provide, make and construct such works and things in connection with the Joint Premises or any portion thereof as have been or may from time to time be ordered or required by the Board of Railway Commissioners for Canada, or any other properly constituted authority; and the cost of any and all such additional railway facilities and appurtenances, permanent improvements, buildings and re-buildings, alterations, extensions, additions, substitutions, works and things shall be added to capital account and shall bear interest at the rate of four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in paragraph nineteen hereof, it being understood that interest on every amount expended under the provisions hereof shall begin to accrue upon the date when such respective amount is expended; provided, and it is hereby understood and agreed, that the provisions of this paragraph shall apply to all work of the character referred to herein which has been performed on the Joint Premises or any Part thereof since the eighteenth day of March, A.D. 1914.

(b) If at any time and from time to time hereafter either party shall desire to have constructed any additional industrial siding connecting with the Joint Tracks, he or it shall give to the other party notice in writing of such desire and such other party shall, within ninety days after receipt of such notice, notify such first mentioned party as to whether he or it shall desire to have the joint use of such additonal siding, and in the event of such other party desiring to use such siding the same shall be treated in all respects as part of the Joint Tracks and the expense of construction, maintenance and operation of the same (in so far as such expense shall be agreed to be paid by either of the said parties) shall be borne accordingly; but in the event of such other party not desiring to use such siding, then the same shall be regarded as the exclusive siding of such first mentioned party, and notwithstanding anything to the contrary herein contained, all expense in connection therewith shall, as between the parties hereto, be borne and all rental therefor shall be credited accordingly; in either event the terms upon which such siding shall be constructed, maintained and operated shall be in accordance with a standard form, the terms of which shall be forthwith agreed upon between the parties hereto and the work of construction, including the furnishing of materials therefor, shall be done by the Pacific Company; provided that nothing herein contained shall be deemed to give the Transcontinental any right or privelege, without further special agreement, in respect of any sidings that may be constructed by the Pacific Company from the Joint Tracks to reach any industries or plants that may be situate on properties acquired or leased from the Pacific Co pany at Hare Point (so-called) or to give the Pacific Company any such right or privilege without further special agreement in respect of any sidings that may be constructed for the Transcontinental from the Joint Tracks to reach any industries or plants that may be situate on any property of His Majesty adjoining the Joint Premises.

9. Without in any wise limiting the provisions of paragraph eight hereof it is understood and agreed that the Pacific Company will construct and maintain upon the location in the vicinity of the Leonard Shops of the Transcontinental approximately shown on the said plan, and in accordance with detail plans to be agreed upon between the parties hereto, a roundhouse with the necessary facilities connected therewith, having sufficient accommodation for the proper care of the locomotives of the parties hereto, and will also construct and maintain the terminal yard in the vicinity of the said Leonard Shops as indicated in red upon the said plan, and the amounts from time to time expended on the construction of such Round-House facilities and terminal yard, shall be added to Capital Account and

bear interest at the rate of four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in paragraph nineteen hereof.

10. The Pacific Company shall with the approval of His Majesty from time to time appoint a General Agent who shall have entire control of the Joint Premises, the handling of trains and the transaction of all necessary and usual current business thereof, in the interest of both parties and shall be deemed to be a joint employee of both parties and the Pacific Company shall on demand for reasonable cause stated by the Transcontinental remove from employment in and about the Joint Premises, any such General Agent.

11. Each party hereto, and the Transcontinental shall, save as hereinafter specified, have equal rights in all respects to the use and enjoyment of the Joint Premises for the handling of freight, express and passenger traffic and for the transaction of business ordinarily connected with a railway terminal, and the Transcontinental shall operate its own trains upon and over the Joint Tracks with its own engines and train crews, provided, however, that all shunting and switching service upon and over the Joint Tracks shall be performed by the Pacific Company, but under the control of the General Agent, and that the expense thereof shall be included as part of the working expenses of the Joint Premises.

12. The Pacific Company is exclusively, except in respect of duties usually performed by trainmen, including train baggagemen, to perform all services in connection with the handling of all passenger and freight traffic on the Joint Premises, such handling to include the selling of tickets and the checking and handling of baggage. The express business of the Transcontinental shall be handled by the employees or contractors, of the Transcontinental and suitable space shall be provided therefor, in or near the passenger station, the location and character of such space to be determined by the Pacific Company, but to be relatively equal in location and importance to the space to be provided for the like purpose for the Pacific Company or the Dominion Express Company, due regard being had to the volume of express business being done by each party hereto, respectively at said station; Provided that should the Transcontinental at any time or times so elect it shall be entitled to separate ticket offices, to be operated by itself and suitable accommodation shall thereupon be provided, but in that event each party shall pay the salary of its ticket sellers.

13. The maintenance, repair and operation of the Joint Premises shall, except as herein otherwise provided, be done by the Pacific Company, and all work incidental thereto shall be done under the sole direction and supervision of the proper officers of the Pacific Company.

14. The employees of the Pacific Company while engaged in doing any act or transacting any business in respect of the trains or traffic of or otherwise in any manner on account of the Transcontinental shall for the time being be considered as employees of the Transcontinental.

15. Each of the parties hereto shall as between the parties hereto be responsible for all loss, damage or injury which may occur to person or property on its trains, for all such loss, damage or injury which may be done by its trains (including damage by fire originating from its trains) whether or not the condition or arrangement of the Joint Premises or lands owned or leased by the Pacific Company contributes in any manner or to any extent to such loss, damage or injury, and for all damage to its trains while on the Joint Premises, except in the case of collision between one of its trains and a train of the other party due to the fault of the enginemen or trainmen of one of them, in which case the party whose enginemen or trainmen are at fault shall be responsible for and make good to the other all loss, damage and injury caused by the collision, but this clause shall not give to any third party any claim to which he or she would not otherwise be legally entitled.

16. When any loss, damage or injury of whatsoever nature other than such as is referred to in the next preceding paragraph hereof is occasioned to any person who may be as a passenger or otherwise lawfully upon the Joint Premises by reason either directly or indirectly of the fact that the Joint Premises or any part thereof are or is being used by either of the parties hereto for the purpose of handling its traffic all responsibility for such loss, damage or injury shall as between the parties hereto be assumed and borne by such respective party, but this clause shall not give to any third party any claim to which he or she would not otherwise be legally entitled.

17. In any case where loss, damage or injury has resulted to any person or property and such loss, damage or injury does not fall within the provisions of paragraphs fifteen or sixteen hereof, then and in all and each such cases the damages and costs or either and all loss thereby caused shall be charged to the account of the Working Expenses, in addition to the matters included in the definition of the Working Expenses in this Agrement.

18. In case of collision, if the proper officers of the parties hereto are unable to agree as to the employees of which were at fault or as to the cause of any collision or as to the amount of damage done, then and in all and each of such cases, the question arising in respect thereof shall be referred to arbitration in the manner hereinafter provided for the settlement of differences and disputes, and the party hereto which shall be found responsible shall

indemnify, save harmless and defend the other from and against all claims, costs and proceedings resulting from or growing out of such fault, and the party so adjudged liable to pay the other any damages in respect thereof shall abide by and forthwith perform and comply with the award of the arbitrators which shall in all cases be final and conclusive upon both parties.

19. His Majesty shall pay to the Pacific Company a sum equal to one-half the interest at the rate of four and one-half per centum (4½%) per annum, calculated as hereinbefore provided, upon the value of the Pacific Company's property as set out in paragraph four hereof and upon all moneys expended by the Pacific Company on Capital Account under the provisions of this Agreement, such payments to be made quarterly on the first days of January, April, July and October, during the continuance of this agreement, the first payment of interest, however, which shall include interest on the value of the Pacific Company's property as aforesaid from the first day of January, 1915, to date of payment shall be made on the first day of July, 1915, and His Majesty shall also in like manner pay to the Pacific Company a sum equal to one-half the rental paid by the Pacific Company to the Transcontinental of the lands acquired by the Transcontinental and leased to the Pacific Company pursuant to the provisions of paragraph five hereof.

20. All Working Expenses of the Joint Premises shall be divided and paid by the parties in the following proportions, namely:—

(a) Passenger Station Expenses in the proportion which the number of the passenger cars and engines of each party entering and leaving such passenger station bears to the total number of passenger cars and engines so entering and leaving such station;

(b) Freight Shed and Office Expenses in the proportion which the tonnage of each party originating at or destined to any point on the Joint Premises bears to the total tonnage so originating or destined;

(c) Round-House Expenses in the proportion which the number of engines dispatched for each party bears to the total number of engines dispatched from the joint round-house;

(d) All other working expenses in the proportion which the number of engines and cars of each party of all classes passing over any portion of the Joint Tracks bears to the total number of engines and cars passing over any portion of the Joint Tracks;

(e) If so desired by the Transcontinental the Pacific Company shall furnish all locomotive and train supplies required by the Transcontinental at cost plus fifteen

per cent, and shall furnish the labour and material required for any ordinary and necessary running repairs to locomotives or cars at cost plus ten per cent for labour and cost plus fifteen per cent for material;

(f) If, prior to the construction of the new round-house referred to in paragraph nine hereof, the Transcontinental shall desire to have its locomotives turned on the turntable at the Pacific Company's present round-house, the Pacific Company will perform this service at the rate of fifty cents per locomotive.

21. The General Agent shall keep and furnish monthly to each of the parties hereto accurate accounts of the Working Expenses of the Joint Premises, but if in the opinion of the Pacific Company such accounts can be more economically kept by the ordinary staff of the Pacific Company and from time to time rendered to the Transcontinental this may be done, provided that if the Pacific Company keep the accounts, then the books, accounts and other documents relating thereto shall be open to the inspection and correction of the Transcontinental.

22. For the purpose of apportioning the Working Expenses of the Joint Premises the General Agent shall keep and render to each party hereto monthly an account of every vehicle carrying passengers or freight, and of every engine which forms part of any train arriving at and also of any train leaving the Joint Premises in the ordinary course of its passenger and freight business, each such vehicle and each such engine being counted once on entering and once on leaving, except that each such vehicle and each such engine destined to or from any steamship wharf, or to or from any tracks outside the Joint Premises which may be used jointly by the parties hereto, or to or from the connection between the railway of any company or corporation other than the parties hereto and the Joint Tracks, shall be counted only once in its passage over the Joint Tracks or any portion thereof to or from such wharf or connection; PROVIDED, HOWEVER, that no record shall be taken of any engine engaged in shunting or switching operations within or about the Joint Premises, or when moving to or from engine houses wherever situate of either of the parties hereto, or of any vehicle when switched to or from any siding connecting with the Joint Tracks; AND PROVIDED FURTHER that such accounts shall show separately the number of passenger and freight trains, engines and cars or vehicles and such other particulars as may be necessary to enable His Majesty to separate the engines, trains and cars operated over the said Eastern Division from those otherwise operated by His Majesty.

23. The books, accounts and other documents of all kinds of the General Agent shall at all times be open to the inspection and correction of each of the parties hereto.

24. The General Agent shall be guided by economical considerations in detailed working arrangements and shall conduct the same impartially and efficiently as if one company's interests alone were concerned.

25. All rentals or other sums by way of compensation which may be collected for refreshment room, book stalls, shops, advertising or any other purpose, including the use of any portion of the said passenger station property by any party other than the parties hereto, shall from time to time be applied towards payment of the interest on the Capital Account.

26. Any lease to any outside party of any rights in any part of the Joint Premises shall be by and in the name of the Pacific Company, as lessors or sub-lessors, for the benefit of both parties to these presents, and the rentals or other compensation arising therefrom shall be applied towards payment of the interest on the Capital Account, and the responsibility for collecting the rents shall be with the General Agent, and the loss or gain in collecting and getting in the said rents shall be debited or credited accordingly, but if in the opinion of the Pacific Company the collection of such rents can be carried on more satisfactorily by its ordinary staff, this may be done, provided that in such case the books, accounts and other documents relating thereto shall be open to the inspection and correction of the Transcontinental.

27. All tolls which shall be received for cars loaded at one point on the Joint Premises and switched for unloading at another point thereon and for cars switched from or to any interchange track connecting the Joint Tracks with the lines of any railway company not a party to this agreement to or from any point on the Joint Tracks shall be credited to the account of Working Expenses; PROVIDED, HOWEVER, AND IT IS HEREBY UNDERSTOOD AND AGREED that the provisions of this paragraph shall not be deemed to apply to any car or cars originating at or destined to any point on the Joint Premises in respect of which either of the parties hereto performs a road-haul, it being the intention of the parties that any revenue derived from switching any such car or cars shall be credited to the party over whose line such car or cars moves from or to the Joint Premises.

28. All tolls and revenue that shall be derived from car demurrage, storage of freight and baggage shall be credited to the account of the Working Expenses of the Joint Premises.

29. Neither this agreement nor anything herein contained shall in any way limit the right of the Pacific Company to grant to any other railway company or companies privileges in respect of the Joint Premises or any part thereof upon such terms as the Pacific Company may deem proper;

PROVIDED, HOWEVER, that upon the admission of any other railway company or companies to the use or benefit of the Joint Premises or any portion thereof in conjunction with the Pacific Company and the Transcontinental, there shall be an equitable readjustment of the rentals to be paid by the Transcontinental, under the provisions of paragraph nineteen hereof, due regard being had to the extent of the use and benefit by or to the parties hereto and any such other company or companies, and in the event of the parties hereto being unable to agree upon any such readjustment, the same shall be determined by arbitration as provided by paragraph forty hereof.

30. Each party hereto shall have equal right to use the Joint Premises for all the usual business connected with a passenger and freight railway terminal, and each shall from time to time and at all times hereafter use the Joint Passenger Station as his and its principal passenger station in the City of Quebec.

31. The trains, engines and cars of the Transcontinental and of any railway or company owned, leased, operated or controlled (through stock ownership or otherwise) by the Transcontinental shall be considered the trains, engines and cars of the Transcontinental, and the Transcontinental shall have the right to operate the same into and out of the Joint Premises under the terms of this agreement, and likewise the trains, engines and cars of the Pacific Company and of any railway or company owned, leased or controlled (through stock ownership or otherwise) by it or operated as part of the Canadian Pacific Railway System shall be considered the trains, engines and cars of the Pacific Company, which shall have the right to operate the same into and out of the Joint Premises under the terms of this agreement; PROVIDED, HOWEVER, that the Transcontinental shall not assign or transfer any rights or interest in this agreement, or give or assume to give to any other person or corporation any rights or interest in, upon or in respect of the Joint Premises or any part thereof, nor shall the Transcontinental, except to the extent in this paragraph provided, undertake to operate the traffic of any other railway company into or out of the Joint Premises under cover of this agreement, and any assignment or transfer or any instrument contrary to this paragraph shall be void and of no effect.

32. Equal facilities shall be afforded at the said passenger station to each party hereto for advertising his or its own business and that of his or its connections.

33. There shall be no touting or canvassing for passengers or freight on the Joint Premises on behalf of either party.

34. Neither party shall be required or be liable to insure any property of the other party, nor shall the working expenses aforesaid include any outlay on account of insur-

ance of the cars, carriages, engines or other property of any kind of either party or which may be in its charge.

35. Except as may from time to time be otherwise agreed on between the parties hereto, all buildings and erections and all furniture and equipment forming part of the Joint Premises shall be insured against losss or damage by fire, if it can be done, and the cost of so doing shall be part of the working expenses, and if and as often as any of the buildings or other property forming part of the Joint Premises be destroyed in whole or in part by fire or other casualty the same shall be rebuilt or replaced without delay, either according to its former design or such other design, if any, as the parties hereto may agree upon, and the cost of so doing, less the amount of insurance, if any, which may be received in respect of the destruction or damage thereof, shall be added to the Capital Account, and the Pacific Company shall find the necessary funds, and they shall form part of the Capital Account and bear interest as in the case of providing or constructing additional railway facilities and appurtenances as provided for in paragraph eight hereof.

36. Inasmuch as large sums have already been and will before the final completion of the Joint Premises be required to be paid out, the aggregate of which sums it is above agreed shall be charged to Capital Account, it is agreed that the interest on these sums at the rate of four and one-half per centum (4½%) per annum from the date of the outlay until the completion of the work and the interest has commenced to run on the whole Capital Account shall be divided and His Majesty shall quarterly, computing from the execution of these presents, pay to the Pacific Company one-half of the said interest, and the Pacific Company shall pay the other half, and the first of such payments by His Majesty shall include such interest to the date of payment on all amounts already expended on capital account, the intention being that said interest shall be paid and only the principal expended shall be carried to Capital Account.

37. His Majesty, for himself and his successors, doth hereby covenant with the Pacific Company, its successors and assigns, that His Majesty and his successors will from time to time and at all times hereafter perform, observe and fulfill the terms and conditions hereinbefore contained and on his and their part intended to be performed, observed and fulfilled and will duly pay all moneys on his or their part intended to be paid, as and when they ought to be paid according to the terms and conditions in this Agreement contained.

38. The Pacific Company, for itself and its successors, doth hereby covenant with His Majesty and his successors that the Pacific Company and its successors will from time

to time and at all times hereafter perform, observe and fulfill the terms and conditions hereinbefore contained and on its and their part intended to be performed, observed and fulfilled, and will duly pay all moneys as and when they ought to be paid according to the terms and conditions herein contained; and further, that His Majesty and the Transcontinental and his and its successors paying his and its share of interest as hereinbefore in this agreement mentioned and performing, observing and fulfilling the covenants and terms and conditions herein contained and on his, its and their part intended to be performed, observed and fulfilled, shall from time to time and at all times hereafter have the right and easement subject to the terms hereof, jointly with the Pacific Company to use and occupy and have the full benefit of the Joint Premises and all properties intended to be covered by that expression according to the terms of this agreement and of all the rents, issues and profits thereof in the respective proportions and on the terms and conditions hereinbefore in this agreement set forth without interruption or interference by the Pacific Company or any other party or parties whomsoever claiming under them; PROVIDED, HOWEVER, AND IT IS HEREBY AGREED that in the event of the Transcontinental failing to pay the interest as aforesaid for the period of six (6) months after demand made, or failing for the like period to observe and perform the covenants and agreements in this agreement contained and on its part to be observed and performed, the Pacific Company shall have the right thereupon to terminate this agreement by notice in writing under its Corporate Seal; PROVIDED, FURTHER, that in any case in which any difference shall be submitted to arbitration under the provisions hereof in respect of the particular default by reason of which it is sought to exercise such right of termination, then the interval between the service of notice of intention to refer and the publication of the arbitrators' award shall not, in respect of such particular default, be deemed to be included in the period of six (6) months above referred to; PROVIDED, FURTHER, that nothing herein contained shall relieve the Transcontinental of its obligation hereunder to pay its share of interest and the other moneys payable by it hereunder at the times and in the manner herein before provided for, and if such difference in any particular case be as to the amount payable by the Transcontinental, the Transcontinental shall, nevertheless, pay to the Pacific Company the amount alleged by the Pacific Company to be owing, but shall be entitled to recover back any excess which the arbitrators may find to have been paid by it.

39. Each of the parties hereto agrees to carry out and give effect to this agreement in the most liberal and reasonable manner and operate the business so as to afford facilities

to each other to the fullest extent compatible with safety and the convenient operation of the business of both.

40. Any difference which may arise under this agreement either as to its construction or respecting the carrying out of the same according to the true intent and meaning thereof shall, if it cannot be amicably adjusted by the parties hereto, be submitted to arbitration in the following manner: the party desiring such reference shall appoint an arbitrator and give notice thereof and of intention to refer to the other party who shall within thirty days after receipt of such notice appoint on its behalf an arbitrator in default of which such an arbitrator on behalf of such other party may be appointed by one of the Judges of the Superior Court of the Province of Quebec, upon the application of the party desiring such reference after ten days' notice to the other party. The two arbitrators so appointed or selected shall select a third and the award of the said three arbitrators or a majority of them made after due notice to both parties of the time and place of hearing the matter referred and hearing the party or parties who may attend shall be final and binding on both parties to this agreement, and the parties hereto expressly agree to abide thereby. In case the two arbitrators first appointed fail to appoint a third within ten days after they have both been appointed, then the third arbitrator may be appointed by one of the Judges of the Superior Court of the Province of Quebec on application of either party after ten days' notice to the other. In case of death or refusal or inability to act of any arbitrator, or if for any cause the office of any arbitrator becomes vacant, his successor shall be appointed in the same manner as is provided for his appointment in the first instance, unless the parties otherwise agree.

41. This agreement shall, subject to the sooner termination thereof herein provided, continue in force for a period of twenty years from the date hereof, provided, however, that His Majesty will enact the necessary legislation confirming and ratifying this agreement and making it effective during the term of ninety-nine years from the date hereof, and when so ratified and confirmed this agreement shall be and continue in force for the said term of ninety-nine years from the date hereof.

42. Should it be found in practice that cases and events may arise or happen that have not been provided for herein, all disputes and differences which may arise respecting the same shall on the application of either party be decided by the Board of Railway Commissioners for Canada, and the parties covenant each with the other to do and perform whatever the Board may order or direct on such application, and it is agreed that such order shall be final, binding and without appeal.

43. Neither this agreement, nor anything herein contained shall be construed or used to prejudice, take away or impair any right which before, or but for the execution of this agreement any other company had, or would hereafter have to apply for, and obtain from the Board of Railway Commissioners for Canada any Order respecting the right to the use of the Joint Premises under the provisions of the Railway Act of Canada.

44. The agreement between the parties hereto dated the eighteenth day of March, 1914, is hereby cancelled and annulled to all intents and purposes.

45. All notices to be given in this agreement shall be in writing and may be served by mailing them in a prepaid registered letter to the Honourable the Minister of Railways and Canals, at Ottawa, Ontario, for the parties of the second part, and to the President of the Canadian Pacific Railway Company, at Montreal, P.Q., for the party of the first part.

IN WITNESS WHEREOF the Pacific Company has hereunto caused its corporate seal to be affixed under the hands of its duly qualified officials and His Majesty has caused these Presents to be signed by the Honourable the Minister of Railways and Canals for the Dominion of Canada, and countersigned by the Secretary of the same Department, and the said the Honourable the Minister of Railways and Canals has also signed these presents as Commissioner of the Transcontinental Railway, acting pursuant to the provisions of the statute and Order-in-Council in that behalf.

WITNESS:

CANADIAN PACIFIC RAILWAY COMPANY

(Sgd) SHAUGHNESSY,
President.

[L.S.] (Sgd) H. C. OSWALD,
Assistant Swcretary.

As to execution on behalf of His Majesty the King.

[L.S.] (Sgd) F. COCHRANE,
Minister of Railways and Canals.

(Sgd) C. P. BUCKLEY

(Sgd) J. W. PUGSLEY,

[L.S.] (Sgd) F. COCHRANE,
Commissioner of the Transcontinental Railway.

SCHEDULE B.

This Agreement dated as of the first day of January, A.D. 1930,

BETWEEN

CANADIAN PACIFIC RAILWAY COMPANY, hereinafter called the "Pacific Company",

Of the First Part,

—AND—

HIS MAJESTY KING GEORGE V, herein represented and acting by the Honourable the Minister of Railways and Canals of the Dominion of Canada, and THE COMMISSIONERS OF THE TRANSCONTINENTAL RAILWAY, herein represented and acting by the Honourable the Minister of Railways and Canals, pursuant to the Statute and and Order in Council in that behalf, both hereinafter referred to as the "Transcontinental",

Of the Second Part.

WHEREAS by an Agreement, dated the first day of January, 1915, hereinafter referred to as the "Principal Agreement", the Pacific Company did agree to permit the Transcontinental to use jointly with the Pacific Company upon and subject to the terms and conditions therein contained, certain tracks of the Pacific Company in and near the City of Quebec in the Province of Quebec, and to have the benefit and enjoyment of the passenger and freight stations and terminal facilities of the Pacific Company in the said City for the purposes of a Union Terminal property;

AND WHEREAS by a letter, dated the 6th day of November, 1917, from George Bury, then Vice-President of the Pacific Company, to the Minister of Railways, the Pacific Company did agree to permit the Transcontinental to use jointly with the Pacific Company, upon and subject to the terms and conditions contained in the Principal Agreement, the tracks of the Pacific Company on St. Andrew and Dalhousie Streets and Pointe à Carcy Wharf, in the City of Quebec;

AND WHEREAS the Transcontinental has ceased to use the freight offices, freight sheds and transfer platforms on the Joint Premises;

AND WHEREAS the parties hereto have agreed that the Transcontinental will, upon the completion of the additions and alterations herein provided for, abandon the

use of its Parent Square Station for passenger trains and use the Joint Passenger Station as its principal passenger station in the City of Quebec;

AND WHEREAS the said parties have agreed to alter and amend the Principal Agreement as hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the mutual covenants and agreements herein contained, and notwithstanding anything to the contrary in the Principal Agreement contained, the parties hereto do hereby mutually covenant and agree as follows:

1. *(a)* The words, "Freight Shed Facilities" wherever they occur in this Agreement shall mean and include the freight offices, freight sheds and transfer platforms shown coloured violet on the "Plan B" which is made a part hereof and signed by the Secretaries of the parties hereto for identification.

(b) The words "Supplemental Agreement" wherever they occur in this Agreement or the Principal Agreement as herein amended shall be taken to mean this supplemental agreement between the parties hereto dated as of the first day of January, 1930.

(c) The word "Board" wherever it occurs in this Agreement shall be taken to mean the Board of Railway Commissioners for Canada.

2. The Joint Premises wherever referred to in this or the Principal Agreement shall be deemed to include the tracks of the Pacific Company on St. Andrew and Dalhousie Streets and Pointe à Carcy Wharf, in the City of Quebec, indicated in green on said "Plan B"; and the sum of Thirty-seven thousand, four hundred Dollars ($37,400.00), which has been agreed upon as the value of the said tracks and is included in the Capital Account, shall bear interest at the rate of four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in Paragraph 19 of the Principal Agreement.

3. *(a)* From and after the first day of January, 1930, the Freight Shed Facilities shall, notwithstanding the provisions of Paragraph 30 of the Principal Agreement, and except as hereinafter otherwise provided, be used for railway purposes by the Pacific Company alone, and the Pacific Company shall bear and pay the Working Expenses (except switching, insurance, taxes and maintenance expenses) of that portion of the Freight Shed Facilities which it shall from time to time so use, but the Transcontinental shall continue to pay its full proportions of the interest on Capital Account provided for in Paragraph 19 of the Principal Agreement, and Working Expenses provided for in Paragraph 20 *(c)* of the Principal Agreement as hereby amended, without

any deduction in respect of the Freight Shed Facilities other than the expenses which under the provisions of this Paragraph the Pacific Company is exclusively to bear, but subject to a credit on account of such interest of an amount equal to one-half of all rentals received by the Pacific Company from third parties to whom it may at any time lease any portion or portions of the Freight Shed Facilities as provided for in Paragraph 26 of the Principal Agreement; provided, however, that if in any year during the currency of these presents the tonnage handled by the Pacific Company through the Freight Shed Facilities shall exceed 50,000 tons, the Pacific Company will reimburse the Transcontinental for one-quarter, if it shall exceed 60,000 tons for one-half, if it shall exceed 70,000 tons for three-quarters, and if it shall exceed 80,000 tons for the whole of the net amount paid in respect of such year by the Transcontinental as aforesaid in respect of such Freight Shed Facilities for interest (less rentals) on Capital Account and for Working Expenses, excluding, however, the Transcontinental's proportion of any retirement charges; provided that the highest of any of such mentioned tonnages that is exceeded during each of any two consecutive years shall thereafter always be considered as the minimum tonnage handled by the Pacific Company; provided, further, that in the event of the Freight Shed Facilities being retired in whole or in part there shall be deducted from Capital Account an amount equal to the cost of the whole or portion so retired and such amount (less salvage and/or insurance) shall be charged to Working Expenses of which each of the parties hereto shall assume and bear its proper proportion as provided for by Paragraph 20 *(c)* of the Principal Agreement as hereby amended, and the cost of replacement, whether by facilities of the same or smaller capacity, shall be charged to the Capital Account of the Joint Premises; provided, further, that in the event of a retirement (total or partial) and replacement by facilities of smaller capacity or of a partial retirement without replacement the provisions above set out with regard to reimbursement insofar as they affect the Working Expenses other than retirement charges shall be cancelled and in lieu thereof the parties shall agree on a basis upon which the Pacific Company shall thereafter reimburse the Transcontinental in respect of such Working Expenses other than retirement charges, having regard to the tonnage then being handled by the Pacific Company as compared with the then total reduced tonnage capacity of the said Freight Shed Facilities; provided, further, that in the event of a total retirement the Pacific Company shall

reimburse the Transcontinental for any amounts which it may thereafter have to pay on account of any subsequent retirement unless the said Freight Shed Facilities shall after such first retirement and upon request in writing of the Transcontinental have been replaced by facilities of capacity greater than required for the use of the Pacific Company. The amount included in the Capital Account in respect of such Freight Shed Facilities shall for the purpose of the calculation provided for in this sub-paragraph *(a)* be taken to be One hundred and eighty-seven thousand Dollars ($187,000.00) together with any expenditures made after the date of this Agreement in respect thereof and properly chargeable to Capital Account as distinguished from Working Expenses.

(b) The Transcontinental shall have the right, if it so desires, to resume the full and equal use, benefit and enjoyment of the Freight Shed Facilities upon giving to the Pacific Company three months' notice in writing of such desire (or such shorter notice as may be acceptable to the Pacific Company), stating the date upon which such use is to commence, and from and after such date the provisions of sub-section *(a)* of this Paragraph shall have no further force and effect, and the Freight Shed Facilities shall be used by each of the parties hereto as its principal freight shed facilities in the City of Quebec. Upon receipt of such notice by the Pacific Company the parties will negotiate an agreement on a user basis in respect of the apportionment of the Working Expenses of the Freight Shed Facilities, which agreement shall take effect as of the date mentioned in such notice. In the event of the Transcontinental exercising such privileges, if either party so desires, each party shall employ its own freight office staff and suitable space shall be provided for each staff in the joint freight office, such space for each party to be relatively equal in location and importance, due regard being had to the volume of business being done by each at the joint freight sheds, and each party shall pay its own freight office staff and supply its own stationery, but all other freight office expenses shall be joint.

(c) The Transcontinental shall have the same rights as the Pacific Company to have cars placed for loading or unloading at any portions of the freight sheds which may be leased by the Pacific Company to any third party.

4. The Transcontinental shall, as soon as conveniently may be, acquire such portions of the lands edged in yellow on said "Plan B" as it has not already acquired, and shall lease the whole of the said lands shown edged in yellow

to the Pacific Company as from the 1st day of January, 1930 (or from such subsequent dates upon which the Transcontinental shall obtain title thereto in cases where title has not already been obtained by the Transcontinental), and during the term ending the 31st day of December, 2013, at an annual rental to be paid quarterly on the first days of January, April, July and October, being at the rate of four and one-half per centum (4½%) per annum, on the total amount (including all legal and other expenses) paid by the Transcontinental in connection with the acquisition of the said parcels of land. The parcels of land referred to herein shall be included in and become part of the Joint Premises and the Transcontinental shall, in addition to the payments provided for by Paragraph 19 of the Principal Agreement, and in like manner pay to the Pacific Company in each year during the currency of this Agreement, a sum equal to one-half the aforesaid rental of lands acquired by the Transcontinental pursuant to the provisions of this Paragraph.

5. The Pacific Company will make such alterations in and additions to the tracks, buildings and facilities comprised in the Joint Premises as may be required for the use of the parties hereto, and as are generally indicated in red on said "Plan B". The expense in connection therewith shall be apportioned between Capital Account and Working Expenses and the amounts which are properly chargeable to Capital shall be added to the Capital Account and bear interest at the rate of four and one-half per centum (4½%) per annum, payable at the times and in the manner provided in Paragraph 19 of the Principal Agreement; and the amounts which are properly chargeable to Working Expenses shall be added to the working expenses of the Joint Premises and shall be borne by the parties hereto accordingly. The additional tracks, buildings, structures and facilities so constructed shall thereafter be included in and be maintained as part of the joint Premises. All plans and estimates of cost of such structures and tracks shall be subject to the approval of the Chief Engineer of the Transcontinental.

6. *(a)* The Transcontinental shall have the right, subject to the approval of the Pacific Company and the Board, and upon and subject to the terms and conditions herein and in the Principal Agreement contained and the observance and performance thereof by the Transcontinental, to have its exclusive tracks connected with the Joint Tracks at the point "X" on the said "Plan B" and at such additional point or points as shall from time to time be approved by the Pacific Company, which approval shall not be unreasonably withheld.

(b) If by reason of the fact that the Transcontinental may connect its tracks with the Joint Tracks at any additional point or points as provided for in sub-paragraph *(a)* of this Paragraph, or that any exclusive track of the Pacific Company may now or at any time hereafter be connected with the Joint Tracks, it may at any time or times be desirable that the Joint Premises be divided into zones for the more equitable apportionment of the Working Expenses between the parties hereto, the party whose exclusive track is so connected shall have the right upon giving thirty (30) days' previous notice in writing to the other party to have the Joint Premises so divided or re-divided into zones, and the parties will endeavour from time to time to agree upon such a division or re-division, and if at any time there should arise any dispute or difference between the parties in regard to such division or re-division, the same shall be submitted to arbitration in the manner provided for in Paragraph 40 of the Principal Agreement; provided, however, that in the event of the subsequent removal of any connection in respect of which the Joint Premises shall have been divided into zones, such particular division into zones shall thereupon be discontinued and the Joint Premises shall be treated as though such connection had never existed.

(c) In the event of any such connection being established it shall be constructed and thereafter maintained by the Pacific Company but at the expense of the party whose exclusive tracks are so connected, and the Pacific Company shall, at the like expense, install, maintain and operate such interlocking and other protective appliances, if any, as may be necessary at the point of junction (including interlocking connections within the interlocking zones on the lines of both parties hereto), and shall, at the like expense, from time to time install, maintain and operate such other appliances (including alterations in any then existing appliances) for the protection or maintenance of, or in connection with the said junction as may be required or approved by the Board; provided that if in any case interlocking or other protective appliances are installed or rearranged for the protection of the junction with the exclusive tracks of either party and for some other purpose as well, the proper proportions of the cost of installation or rearrangement and maintenance and operation thereof applicable to such exclusive junction and to the various other purposes for which such appliances are designed shall be determined in accordance with the function values prescribed from time to time by the Signal Section of the

American Railway Association. Any materials used in connection with the installation and maintenance of any interlocking or other protective appliance, as aforesaid, shall be and remain the property of the party for whom it is installed, and may be removed by it at its own expense upon the termination of this Agreement.

7. From and after the date of this Agreement the Joint Passenger Station shall, unless otherwise mutually agreed upon by the parties hereto, be used by each of the said parties as its principal passenger station in the City of Quebec, and shall be known as the "Palais Union Station," and all signs and notices of every description and the badges on the uniforms of all employees (excepting the members of the regular police force of the Pacific Company) shall bear the words "Palais Union Station" and no other designation. The ticket offices of each of the parties hereto shall be indicated by appropriate signs of a design to be agreed upon by the parties hereto.

8. The Principal Agreement is amended by striking out Paragraph 20 thereof and substituting the following:

"20. The Transcontinental shall, in addition to all other payments herein provided for, pay to the Pacific Company:

1. The proportions of the Working Expenses of the Joint Premises hereinafter provided for:

(a) Such proportion of the Joint Passenger Station Working Expenses, except for maintenance of tracks and switching, as the number of passenger cars and engines of the Transcontinental entering and leaving such passenger station bears to the total number of passenger cars and engines so entering and leaving such station, computed as provided in Paragraph 22 *(a)* hereof;

(b) Such proportion of the Joint Coach Yard Working Expenses, including car inspection, oiling, watering, icing, gassing, charging, ordinary cleaning, heating, maintenance of facilities (other than tracks) and operation (other than switching), as the number of passenger cars handled by the Joint Coach Yard staff for the Transcontinental bears to the total number of passenger cars handled by such staff, computed as provided in Paragraph 22 *(b)* hereof;

(c) Subject to the provisions of Paragraph 3 of the Supplemental Agreement, such proportion of all other Working Expenses (including switching and maintenance of all joint tracks) as the number of cars and engines of the Transcontinental of all classes passing over any portion of the Joint Tracks bears to the total number of cars and engines of all classes passing over any portion of the Joint Tracks, computed as provided in Paragraph 22 *(c)* hereof;

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2. If so desired by the Transcontinental, the Pacific Company shall furnish train supplies required by the Transcontinental and labour and materials required for any ordinary and necessary running repairs and special services to cars at cost plus the percentages provided in Paragraph 11 of the Supplemental Agreement;

provided, however, that while it is understood and agreed that the switching service included in the General Working Expenses under sub-paragraph 1 *(c)* hereof shall include the turning by the joint switching engines of equipment of either party on wye tracks and the switching of Interchange Tracks, in either case connected with or adjacent to the Joint Premises, the time consumed off the Joint Premises in switching to and from any steamship wharf shall be deducted from the total time consumed in switching service and be charged to the party for whose benefit such switching is performed; provided, further, that in the event of the establishment of zones pursuant to the provisions of Paragraph 6 *(b)* of the Supplemental Agreement, the Working Expenses referred to in sub-paragraph 1 *(c)* of this Paragraph shall be kept separately for each zone and shall be borne by the parties hereto in the proportion which the number of cars and engines of each party of all classes, passing over each zone, or any portion thereof, shall bear to the total number of cars and engines passing over said zone, or any portion thereof, computed as provided in Paragraph 22 *(c)* hereof."

9. The Principal Agreement is amended by striking out Paragraph 21 thereof and substituting the following:

"21. The General Agent shall keep and furnish monthly to each of the parties hereto accurate accounts of the Working Expenses of the Joint Premises, but, if in the opinion of the Pacific Company such accounts can be more economically kept by the ordinary staff of the Pacific Company and from time to time rendered to the Transcontinental, this may be done; provided that, if the Pacific Company keep the accounts, it will from time to time and at all times during the continuance of this Agreement, allow proper inspection by the Transcontinental of all books, accounts, returns and vouchers for the purpose of checking or verifying any account or accounts rendered by the Pacific Company to the Transcontinental in pursuance of this Agreement, and the Transcontinental shall have the right from time to time to employ an auditor or auditors to investigate the accuracy of any such account or accounts, and the Pacific Company shall from time to time afford all proper facilities for such investigation; and neither the acceptance of any such account or accounts nor the payment thereof by the Transcontinental shall prejudice its right to an audit or verification; and, if upon any such

audit or verification or at any time it shall be found that the Transcontinental has paid to the Pacific Company any sum or sums of money which it was not liable to pay under the provisions of this Agreement, it shall be entitled to demand and collect the same from the Pacific Company, and the Pacific Company shall refund the same, provided, however, that such right of inspection in respect of Working Expenses shall be exercisable only within one year after the rendering of the account or accounts sought to be checked or verified, and any account not found to be incorrect within such period of one year shall not thereafter be subject to objection or change, and, further, that the Pacific Company shall not in any account make any charge in respect of any service performed or material furnished hereunder in connection with maintenance and operation prior to the period of one year before the rendering of such account unless notice be given in respect of such adjustment before the expiry of that period."

10. The Principal Agreement is amended by striking out Paragraph 22 thereof and substituting the following:

"22. For the purpose of apportioning the Working Expenses of the Joint Premises, according to the terms of this Agreement, the General Agent shall keep and render monthly to each party hereto an account of wheelage computed as follows:

(a) Passenger Station Wheelage.—Cars and engines in passenger trains entering and leaving the Joint Passenger Station shall be counted once upon entering and once upon leaving, provided, however, that through cars and through engines in passenger trains entering and leaving the passenger station shall be counted only once;

(b) Coach Yard Wheelage—Each car handled by the Joint Coach Yard Staff shall be counted once;

(c) General Wheelage—Cars and engines of all classes passing over the Joint Tracks, or any portion thereof, shall be counted once on entering and once on leaving the Joint Tracks; provided, however, that through cars and through engines in passenger trains entering and leaving the passenger station shall be counted once only in their passage over the Joint Tracks or any portion thereof;

and provided, further, that the following movements shall not be counted:

(1) Freight and switching engines entering or leaving the Joint Premises and engines engaged in switching operations within or about the Joint Premises;

(2) Cars switched for heavy repairs to and returned from the repair yard of either party in the Quebec Terminal Area;

(3) Cars and engines in joint work train service;

(4) Cars and engines moving between the Joint Tracks and any of the following:

(a) Any steamship wharf reached through any connection with the Joint Premises;

(b) Any private or team track siding connecting with the Joint Tracks;

(c) Any tracks outside the Joint Premises which may be used jointly by the parties hereto for turning equipment;

(d) Any connection between the Joint Tracks and the railway of any Company or Corporation other than the parties hereto;

(e) Any engine house or Stores Department facilities of either of the parties hereto situated in the Quebec Terminal Area;

provided, further, that should the conditions so change that the provisions of this paragraph shall operate unfairly to either of the parties hereto, such provisions may be varied from time to time by a written memorandum signed by the duly authorized representatives of the Accounting Departments of the parties hereto."

11. It is understood and agreed that in the cost of carrying out any work or the performance of any service whether chargeable to Capital Account or Working Expenses, there shall be included in addition to the actual cost, a charge of ten per centum (10%) on labour for supervision, one per centum (1%) on amounts paid contractors, and fifteen per centum (15%) on materials and supplies, other than coal, for handling, and that when any materials or supplies, other than coal, are furnished by the Pacific Company to the Transcontinental the charge therefor shall include, in addition to the actual cost, fifteen per centum (15%) on materials and supplies for handling, which additional charges are agreed upon as reasonable for the purposes mentioned, but may be varied from time to time by the Accounting Officers of the parties hereto.

12. The Principal Agreement is amended by striking out Paragraph 28 thereof and substituting the following:

"28. All revenue derived from the assessment of car demurrage on the Joint Premises shall accrue to the party making such assessment, except demurrage accruing on cars used in earning the tolls referred to in Paragraph 27 of this Agreement, which shall be credited to Working Expenses of the Joint Premises. The revenue from the storage of baggage and the checking of parcels shall be credited to the Passenger Station Working Expenses."

13. This Agreement shall be read as supplemental to and one with the Principal Agreement, all the terms and conditions of which shall, except insofar as they may be

inconsistent with the provisions of this Agreement, be deemed to apply to the construction, maintenance and operation of all tracks and facilities which may be constructed, maintained and operated under the provisions hereof, it being understood that in any case of inconsistency the provisions of this Agreement shall be taken to override the provisions of the Principal Agreement; provided, however, that without in any way restricting the application of this Agreement or the generality of the foregoing provision, the Principal Agreement shall (in addition to the amendments hereinbefore provided for) be amended in particular as follows:

(a) By striking out all reference to the points indicated by the letters "B" and "C" in the preamble and in Paragraphs 2 and 6;

(b) By striking out Paragraph 9;

(c) By inserting the words "and commercial telegraph" after the word "ticket" in the sixteenth line of Paragraph 12, and adding the words "and commercial telegraph operators" at the end of said paragraph.

14. This Agreement shall, subject to the sooner termination of the Principal Agreement, as therein provided, continue in force from the date hereof for the term of twenty (20) years computed from the first day of January, 1915; provided, however, that His Majesty will enact the necessary legislation confirming and ratifying the Principal Agreement and this Supplemental Agreement and making the Principal Agreement as varied and/or supplemented by this Supplemental Agreement effective during the term of ninety-nine (99) years from the first day of January, 1915, and when so ratified and confirmed this Agreement shall be and continue in force and effect until the thirty-first day of December, 2013, unless sooner terminated as provided in the Principal Agreement.

IN WITNESS WHEREOF the Pacific Company has hereunto caused its Corporate Seal to be affixed under the hands of its duly qualified officials and His Majesty has caused these presents to be signed by the Honourable the Minister of Railways and Canals for the Dominion of Canada, and countersigned by the Secretary of the same Department, and the said the Honourable the Minister of Railways and Canals has also signed these presents as The Commissioners of the Transcontinental Railway, acting pursuant to the provisions of the Statute and Order in Council in that behalf.

CANADIAN PACIFIC RAILWAY COMPANY

(SEAL)

A. D. McTIER,
Vice-President.

H. C. OSWALD,
Assistant Secretary.

R. J. MANION,
Minister of Railways and Canals.

(SEAL)

J. W. PUGSLEY,
Secretary.

THE COMMISSIONERS OF THE TRANSCONTINENTAL RAILWAY

R. J. MANION,
Commissioner.

(SEAL)

As to execution on behalf of His Majesty and the Commissioners of the Transcontinental Railway,

C. P. BUCKLEY.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 26.

An Act respecting Fruit.

First reading, March 5, 1934.

The MINISTER OF AGRICULTURE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75947 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 26.

An Act respecting Fruit.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE.

Short title.

1. This Act may be cited as *The Fruit Act, 1934*.

INTERPRETATION.

Definitions.

2. In this Act, unless the context otherwise requires,

"Closed package."

(a) "closed package" means any package, the contents of which cannot be satisfactorily inspected without removing the cover, lid or other closing device;

"Fruit."

(b) "fruit" means fruit of every kind grown in Canada, known botanically as such, except wild fruit in respect of which no grades are prescribed;

"Grade."

(c) "grade" means the grade prescribed pursuant to the provisions of this Act;

"Inspector."

(d) "inspector" means any person charged by the Minister with duties relating to the enforcement of this Act;

"Minister."

(e) "Minister" means the Minister of Agriculture;

"Person."

(f) "person" means both the singular and plural, individuals, partnerships, companies, corporations, societies and associations and their agents or employees.

"To pack."

(g) "to pack" or "repack" means to place fruit in any package intended for sale and derivatives have corresponding meanings.

PART I.

Regulations.

Power to make regulations.

3. The Minister may, from time to time, make regulations:—

Grades.

(a) to establish one or more grades for each kind of fruit and in establishing any such grade, provision may be made to allow for variation incident to commercial grading, handling and packing, but no such provision shall permit more than ten percent of any lot of fruit to be under grade requirements;

Marks.

(b) to prescribe the marks which shall be placed on any package of fruit intended for sale and the manner and method by which the same shall be placed thereon and the person who shall be responsible to mark the package and the liability of all persons handling packages of fruit to see that the same are properly marked and to prohibit any representation from being made in connection with or as part of any mark other than such as is authorized by regulation;

Quality, etc.

(c) to prescribe the quality, form, dimensions and capacity of all containers in which each kind of fruit shall be packed or transported and the material of which such container shall be made;

Inspection, etc.

(d) to provide for the inspection, certification and grading of any kind of fruit and the inspection fees which shall be payable;

How packed and weight.

(e) to prescribe how fruit shall be packed or repacked and the minimum weight of fruit to be contained in any package;

Identification number.

(f) approving of registered numbers or other marks to designate the packer in the case of any co-operative association, shipper or person dealing in fruit wholesale;

Time of operation.

(g) to prescribe the time when any regulation shall come into operation, the particular kind or kinds of fruit and fruit packages to which it shall apply and the part or parts of Canada within which it shall be in force;

Imported fruit.

(h) to provide that all or any kind of imported fruit or fruit packages shall be subject to certain or all regulations made under this Act and in the case of any kind of imported fruit to make regulations in respect thereof as if such fruit had been grown in Canada;

Registration certificates.

(i) to prescribe the conditions respecting applications for and the issue of registration certificates, the duration of same and the fee to be paid therefor;

Conditions for certificates.

(j) to prescribe the conditions upon which registration certificates are to be issued, renewed, suspended or revoked.

EXPLANATORY NOTES.

3. *(a), (b), (c).* Under present legislation certain fruit packages are standardized and the grades and the marking of packages prescribed by the Act.

3. *(g)* To enable growers or shippers of any Province to avail themselves of compulsory grades or compulsory inspection or to provide necessary restrictions in the movement of fruit which might be detrimental to the interests of the growers.

Penalties.

(k) to prescribe punishment for the violation of any regulation including maximum and minimum fines not exceeding two hundred dollars and imprisonment not exceeding one month for default in payment of any such fine;

Transportation, display. Enforcement and operation of Act.

(l) relating to the transportation of fruit and the display or the advertisement of the same for sale or such other matter as may be deemed necessary for the efficient enforcement and operation of this Act and for carrying out its provisions according to their true intent and meaning and for the better attainment of its objects;

OFFENCES.

Grading, packing, etc., to be according to Act and regulations.

4. No person shall transport, pack, or repack, advertise, display, offer for sale, sell or have in his possession intended for sale any fruit in closed or open packages or in bulk, unless such fruit has been graded, packed, repacked, marked and inspected in accordance with the provisions of this Act and regulations.

Fraudulent grading.

5. (1) No person shall represent any fruit which he packs, offers for sale or sells in any kind of package, to be of a certain grade or variety unless such fruit has been graded and the package marked in accordance with the regulations.

Offence.

(2) If the fruit does not correspond to the grade and variety represented, the person making the representations shall be guilty of an offence.

Fraudulent packing.

6. No person shall sell or offer for sale or have in his possession intended for sale any fruit in any package in which the faced or shown surface gives a false representation of the contents of such package; and it shall be considered false representation when more than ten per cent of the fruit is smaller in size than, or inferior in grade to, or different in variety or maturity from the faced or shown surface of such package.

Fruit unfit for use.

7. No person shall sell or offer for sale any fruit that is so diseased, wormy or otherwise depreciated as to render it unfit for human consumption.

Packages must be full.

8. No person shall sell or offer for sale any fruit in any package unless such package is well and properly filled.

Fruit below minimum grade.

9. No person shall offer or accept for shipment or ship, transport, offer for sale or sell any fruit which is below the minimum grade for such kind of fruit, except to a person engaged in the operation of a canning or jam factory or other processing plant.

4. This section is to facilitate the enforcement of the legislation, particularly with respect to fruit offered for sale by truckers and peddlars, and the advertising and display of fruit.

5. This is to stop misrepresentation and to provide more assurance to the consumer that in purchasing certain kinds of fruit he is getting the grade or variety desired.

9. Distribution of cull fruit or fruit unsuitable for domestic purposes has an adverse effect on the marketing of the fruit crop generally. A minimum quality for each kind of fruit for household purposes will be established and fruit below that minimum may be sold for processing purposes only.

Obliterating old marks when re-using packages.

10. No person by himself or his agent shall sell, expose, offer for sale or have in his possession intended for sale or shall use again for packing or repacking fruit any container previously marked in accordance with the Act and regulations unless he first completely removes, erases or obliterates the previous marks.

Using mark assigned to other person.

11. Every person who unlawfully uses any registered number or mark assigned to any other person as if such number or mark had been assigned to him, shall be guilty of an offence.

Unlawfully using mark, etc.

12. Every person who in respect of any package of fruit unlawfully uses any brand, stencil or label designating the owner, packer or shipper, shall be guilty of an offence.

Unlawfully obliterating etc.

13. Every person who unlawfully alters, effaces or obliterates, or causes to be altered, effaced or obliterated, wholly or partially, any marks on any package which has been inspected shall be guilty of an offence.

Carelessly destroying fruit, etc.

14. Every person who carelessly handles, destroys or pilfers any fruit in the process of packing or handling in transportation, warehousing or otherwise, shall be guilty of an offence.

Receiving fruit for carriage not properly certified.

15. No person engaged in the operation of any railway, vessel or other carrier shall receive any fruit for carriage to a destination outside the province where the same is received unless the packages containing such fruit are marked as required by regulation, and any inspection certificate or evidence of inspection prescribed by regulation is attached to the bill of lading or the railway car or both, or in the case of a motor truck or other vehicle is carried by the person in charge.

Obstructing an inspector.

16. Every person who obstructs any inspector or who refuses to permit fruit to be inspected or gives to an inspector a false name or address or any other false information, shall be guilty of an offence.

INSPECTORS.

Powers of inspectors.

17. Any inspector appointed under this Act may at any time, for the purposes of carrying into effect any provision of this Act or regulations made thereunder,

(a) enter any place or premises, or any steamship, vessel or boat, or any carriage, car, truck or other vehicle used for the carriage of fruit;

10. Collection and distribution of used packages without removing original marks has become a practice which is proving injurious to many growers who have built up a reputation for their product. It is unfair also to the consumer.

15. To facilitate control of the initial movement of fruit which, on account of insect injury or for other cause, should be restricted.

17. To enable Inspectors to obtain necessary information in the interest of the industry and to give necessary jurisdiction of inspections in transit, particularly the truck movement.

(b) require to be produced for inspection or for the purpose of obtaining copies thereof or extracts therefrom, any books, shipping bills, bills of lading, sales records, temperature records or other papers;

(c) inspect any fruit which is being transported by any vehicle and require the driver of any vehicle suspected to be carrying fruit, to stop for the purpose of inspection;

(d) detain for the time necessary to complete his inspection, any shipment of fruit.

Detention of fruit and notice.

18. Fruit detained under this Act or regulations shall at all times be at the risk and expense of the owner, but the inspector shall notify the packer, owner, or person having possession of such fruit, by prepaid telegram, letter or otherwise, that such fruit is being detained in storage or otherwise as the case may be.

Packer.

19. The person whose name is marked on any package of fruit as the packer shall be deemed to be the packer thereof.

Head packers.

20. The Minister may, at the request of any Provincial Fruit Growers' Association, authorize the registration of foremen packers or head packers in charge of or responsible for the work of one or more persons engaged in packing of fruit in orchards, packing houses, warehouses or other premises.

Certificate to be *prima facie* evidence.

21. An inspection certificate purporting to be signed by an inspector shall be receivable in evidence without proof of the signature of the inspector and shall be *prima facie* evidence of the truth of the statements contained therein.

PENALTIES.

Offences against sections 4 to 15.

22. (1) Every person who, by himself or by his agent, commits an offence against any of the provisions of sections four to fifteen inclusive of this Act shall be liable upon summary conviction for a first offence to a fine not exceeding fifty dollars and not less than twenty-five dollars; for the second offence to a fine not exceeding one hundred dollars and not less than fifty dollars; and for the third and each subsequent offence to a fine not exceeding two hundred dollars and not less than one hundred dollars, together in all cases with the costs of prosecution; and in default of payment of the fine and costs, such person shall be liable to imprisonment for any term not exceeding one month unless the fine and costs and the costs of enforcing the same are sooner paid.

20. It is believed that the standard of individual or warehouse pack of fruit can be improved by requiring registration of foremen and head packers under certain qualifications.

Additional penalty.

(2) Whenever any such violation is in respect of a lot or shipment of fifty or more packages, there may be imposed, in addition to any penalty provided by subsection one of this section, for the first offence twenty-five cents, for the second offence fifty cents, and for the third and each subsequent offence one dollar, for each package in excess of fifty in respect of which such violation is committed.

Offence against section 16.

(3) Every person who commits an offence against any of the provisions of section sixteen shall be liable on summary conviction to a fine of not less than two hundred dollars and in default of payment of the fine and costs to imprisonment for a term not exceeding sixty days unless the fine and costs and the costs of enforcing the same are sooner paid.

Offences generally.

(4) Every person who violates any provision of the Act or regulations in respect of which no specified penalty is imposed shall be liable on summary conviction to a fine not exceeding fifty dollars nor less than twenty-five dollars and in default of payment of the fine and costs to imprisonment for any term not exceeding one month unless the fine and costs and the costs of enforcing the same are sooner paid.

Detention of fruit.

23. All fruit and all fruit packages in respect of which any offence against this Act or regulations is committed may be placed under detention by an inspector at the risk and expense of the owner until such time as such fruit or fruit packages are made to comply with the provisions of this Act or regulations thereunder, or shall be forfeited to His Majesty and may be destroyed or otherwise disposed of as the Minister may direct.

Complaints and averments.

24. For the purpose of jurisdiction under the provisions, of the *Criminal Code* relating to summary convictions, in any complaint, information or conviction for a violation of any of the provisions of this Act or regulations, the matter complained of may be alleged and shall be held to have arisen at the place where the fruit was packed, sold, offered, exposed or had in possession for sale or transportation, as the case may be, or at the residence or usual place of residence of the accused.

Application of fines.

25. Any pecuniary penalty imposed under this Act shall, when recovered, be payable to His Majesty in the right of the Dominion of Canada.

Remedies preserved.

26. No proceedings taken under this Act or conviction recorded shall in any way affect the right of any person to any legal remedy to which he may otherwise be entitled.

23. To permit of withdrawing from sale or to detain fruit which is contrary to the provisions of the Act.

Coming into force of regulations.

27. Regulations made under this Act shall be in force from the date of their publication in the *Canada Gazette* unless otherwise provided therein.

Appointment of inspectors.

28. There may be appointed from time to time in the manner authorized by law such inspectors as are necessary for the enforcement of this Act.

REPEAL.

Act repealed.

29. The *Fruit Act*, chapter eighty of the Revised Statutes of Canada, 1927, is hereby repealed.

PART II.

LICENSING OF INTERPROVINCIAL TRADERS

INTERPRETATION.

Definitions.

30. In this Part and in the regulations made thereunder, unless the context otherwise requires,

"Broker." *(a)* "broker" means any person engaged in negotiating consignments, sales and purchases for or on behalf of the vendor or purchaser respectively.

"Commission agent." *(b)* "commission agent" means any person who receives and handles fruits and vegetables on commission;

"Dealer." *(c)* "dealer" means any person who deals in fruit or vegetables to the amount of five carloads or the equivalent in any calendar year, but if a retail dealer, to the amount of ten carloads or the equivalent in any calendar year.

Commission agent to obtain licence.

31. No commission agent shall accept or offer to accept for sale on commission, or otherwise deal in any fruit or vegetables shipped from a point outside the province in which he carries on business unless he has obtained a licence from the Minister.

Dealer to obtain licence.

32. No dealer shall ship, buy, accept or offer to accept or otherwise deal in any fruit or vegetables shipped from or to a point outside the province in which he carries on business unless he has obtained a licence from the Minister.

Broker to obtain licence.

33. No broker shall engage in negotiating shipments on consignment, sales or purchases of any fruit or vegetables from or to a point outside the province in which he carries on business for or on behalf of the vendor or purchaser unless he has obtained a licence from the Minister.

PART II.

The purpose of this Part is to control the sale of fruits and vegetables moving in interprovincial or foreign trade, to safeguard to the producer the monies realized from the sale of his produce and to prevent unfair practices in the handling and selling of such products.

Regulations.

34. The Minister may from time to time make regulations:—

(a) to prescribe the conditions respecting applications for and the issue of licences, the duration of same and the fees to be paid therefor;

(b) to prescribe the conditions upon which licences are to be issued, renewed, suspended or revoked;

(c) to prescribe the form in which records and accounts of commission sales shall be kept and conditions under which payments shall be made to the shipper or his agent by commission agent;

(d) to require a licensee to furnish a bond upon such conditions as are deemed necessary for the performance of his obligations and duties hereunder;

(e) to prescribe the quantities for any kind or kinds of fruit or vegetables as constituting a carload;

(f) as may be deemed necessary for the efficient enforcement and operation of this Part.

Offences and penalties.

35. Every person who violates any provision of this Part or any regulations made hereunder shall be guilty of an offence punishable on summary conviction by a fine not exceeding one thousand dollars and not less than one hundred dollars together with the costs; and in default of payment of the fine and costs such person shall be liable to imprisonment for a term not exceeding two months, unless the fine and costs and the costs of enforcing the same are sooner paid.

PART III.

GRADING, INSPECTION AND ASSEMBLING OF HONEY FOR EXPORT.

INTERPRETATION.

Definition.

36. In this Part and the regulations made thereunder, unless the context otherwise provides:

"Export."

(a) "Export" means the shipment of honey from the province in which it is produced to any other province or out of Canada.

REGULATIONS.

Regulations.

37. The Minister may from time to time make regulations:

Grades.

(a) to provide for the classification of honey and for one or more grades for each class of honey; the person who shall be responsible for classifying and grading

PART III.

The purpose of this Part is to establish classes and grades for all Canadian honey shipped from the province in which it is produced to any other province or out of Canada;
to require grading of honey shipped from the province in which it is produced to any other province or out of Canada, with a view to developing a uniform quality with uniform class and grade marks for Canadian honey moving from province to province or to markets outside of Canada;
to require inspection for all honey moving out of Canada;
to provide for sanitary conditions of all premises in which honey is prepared, packed, classified and graded when intended for shipment from the province in which it is produced to any other province or out of Canada;
to provide for the registration of persons engaged in the assembling of honey for export.

honey; and provision for variation incident to commercial grading, handling and packing for each of such grades.

Marks. *(b)* to provide the marks which shall be placed on any container of honey, intended for export, including the net weight, and the manner and method by which the same shall be placed thereon, and the person who shall be responsible to mark the containers.

Containers. *(c)* to prescribe the quality, form, dimensions and capacity of all containers in which honey shall be packed and the materials of which such containers shall be made.

Inspection and certificate. *(d)* to provide for the inspection of and the issuing of a certificate for honey intended for export, the conditions under which inspection shall be made and certificate issued, and the inspection fees, which shall be payable.

Registration. *(e)* relating to the conditions under which application for registration shall be made, granted, refused, suspended or revoked; the duration of same and the fees which shall be payable.

Shipping and transportation. *(f)* relating to the manner in which inspection certificates shall be attached to bills of lading and such other provisions as may be necessary in respect to the shipping or transportation of honey.

Numbers and marks. *(g)* approving of registered numbers or other marks to designate the packer in the case of any co-operative association, exporter or person dealing in honey wholesale.

Coming into effect of regulations. *(h)* to prescribe the time when any regulation shall come into effect, the classes and grades of honey to which it shall apply, and the part or parts of Canada within which it shall be in force.

Sanitation. *(i)* relating to cleanliness and sanitation of all premises in wh ch honey is assembled or from which honey is classified, graded or packed for export;

Enforcement and operation. *(j)* relating to the transportation of honey and the display or the advertisement of the same for export or such other matter as may be deemed necessary for the efficient enforcement and operation of this Part and for carrying out its provisions according to the true intent and meaning and for the better attainment of its objects.

Fines and imprisonment. *(k)* to prescribe punishment for the violation of any regulation including maximum and minimum fines not exceeding two hundred dollars and imprisonment not exceeding one month for default in payment of any such fine.

Selling, etc.

38. No person shall sell or offer for sale for export, any honey which has not been classified, graded, packed, labelled, marked and/or inspected as required by this Act and regulations.

Receiving for transportation, etc.

39. No person shall receive for transportation, transport or cause to be transported by any railway, vessel, motor truck or other vehicle any honey in containers intended for export unless in possession of any inspection certificate required by this Act and regulations.

Registration.

40. All persons engaged in the assembling of honey intended for export shall be registered by the Minister.

Inspection and sanitation.

41. An inspection of honey and of the sanitary conditions of all premises in which honey is prepared, packed, classified and graded for export shall be conducted under such conditions, sanitary and otherwise, as may be prescribed by the regulations.

Sections to apply.

42. Section two and sections four to twenty-eight inclusive, except insofar as the same are inconsistent with the provisions of this Part, shall apply in the case of honey intended for export, and for the purposes of this Section the word "Honey" shall be substituted for the word "Fruit" wherever it occurs in the said Sections.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 26.

An Act respecting Fruit and Honey.

AS PASSED BY THE HOUSE OF COMMONS,
27th MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
75949 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 26.

An Act respecting Fruit and Honey.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE.

Short title.

1. This Act may be cited as *The Fruit and Honey Act, 1934.*

INTERPRETATION.

Definitions.

2. In this Act, unless the context otherwise requires,

"Closed package."

(a) "closed package" means any package, the contents of which cannot be satisfactorily inspected without removing the cover, lid or other closing device;

"Fruit."

(b) "fruit" means fruit of every kind grown in Canada, known botanically as such, except wild fruit in respect of which no grades are prescribed;

"Grade."

(c) "grade" means the grade prescribed pursuant to the provisions of this Act;

"Inspector."

(d) "inspector" means any person charged by the Minister with duties relating to the enforcement of this Act;

"Minister."

(e) "Minister" means the Minister of Agriculture;

"Person."

(f) "person" means both the singular and plural, individuals, partnerships, companies, corporations, societies and associations and their agents or employees.

"To pack."

(g) "to pack" or "repack" means to place fruit in any package intended for sale and derivatives have corresponding meanings.

PART I.

REGULATIONS.

Power to make regulations.

3. The Minister may, from time to time, make regulations:—

Grades.

(a) to establish one or more grades for each kind of fruit and in establishing any such grade, provision may be made to allow for variation incident to commercial grading, handling and packing, but no such provision shall permit more than ten percent of any lot of fruit to be under grade requirements;

Marks.

(b) to prescribe the marks which shall be placed on any package of fruit intended for sale and the manner and method by which the same shall be placed thereon and the person who shall be responsible to mark the package and the liability of all persons handling packages of fruit to see that the same are properly marked and to prohibit any representation from being made in connection with or as part of any mark other than such as is authorized by regulation;

Quality, etc.

(c) to prescribe the quality, form, dimensions and capacity of all containers in which each kind of fruit shall be packed or transported and the material of which such container shall be made;

Inspection, etc.

(d) to provide for the inspection, certification and grading of any kind of fruit and the inspection fees which shall be payable;

How packed and weight.

(e) to prescribe how fruit shall be packed or repacked and the minimum weight of fruit to be contained in any package;

Identification number.

(f) approving of registered numbers or other marks to designate the packer in the case of any co-operative association, shipper or person dealing in fruit wholesale;

Time of operation.

(g) to prescribe the time when any regulation shall come into operation, the particular kind or kinds of fruit and fruit packages to which it shall apply and the part or parts of Canada within which it shall be in force;

Imported fruit.

(h) to provide that all or any kind of imported fruit or fruit packages shall be subject to certain or all regulations made under this Act and in the case of any kind of imported fruit to make regulations in respect thereof as if such fruit had been grown in Canada;

Registration certificates.

(i) to prescribe the conditions respecting applications for and the issue of registration certificates, the duration of same and the fee to be paid therefor;

Conditions for certificates.

(j) to prescribe the conditions upon which registration certificates are to be issued, renewed, suspended or revoked.

3. *(a), (b), (c).* Under present legislation certain fruit packages are standardized and the grades and the marking of packages prescribed by the Act.

3. *(g)* To enable growers or shippers of any Province to avail themselves of compulsory grades or compulsory inspection or to provide necessary restrictions in the movement of fruit which might be detrimental to the interests of the growers.

Penalties.

(k) to prescribe punishment for the violation of any regulation including maximum and minimum fines not exceeding two hundred dollars and imprisonment not exceeding one month for default in payment of any such fine;

Transportation, display. Enforcement and operation of Act.

(l) relating to the transportation of fruit and the display or the advertisement of the same for sale or such other matter as may be deemed necessary for the efficient enforcement and operation of this Act and for carrying out its provisions according to their true intent and meaning and for the better attainment of its objects;

OFFENCES.

Grading, packing, etc., to be according to Act and regulations.

4. No person shall transport, pack, or repack, advertise, display, offer for sale, sell or have in his possession intended for sale any fruit in closed or open packages or in bulk, unless such fruit has been graded, packed, repacked, marked and inspected in accordance with the provisions of this Act and regulations.

Fraudulent grading.

5. (1) No person shall represent any fruit which he packs, offers for sale or sells in any kind of package, to be of a certain grade or variety unless such fruit has been graded and the package marked in accordance with the regulations.

Offence.

(2) If the fruit does not correspond to the grade and variety represented, the person making the representations shall be guilty of an offence.

Fraudulent packing.

6. No person shall sell or offer for sale or have in his possession intended for sale any fruit in any package in which the faced or shown surface gives a false representation of the contents of such package; and it shall be considered false representation when more than ten per cent of the fruit is smaller in size than, or inferior in grade to, or different in variety or maturity from the faced or shown surface of such package.

Fruit unfit for use.

7. No person shall sell or offer for sale any fruit that is so diseased, wormy or otherwise depreciated as to render it unfit for human consumption.

Packages must be full.

8. No person shall sell or offer for sale any fruit in any package unless such package is well and properly filled.

Fruit below minimum grade.

9. No person shall offer or accept for shipment or ship, transport, offer for sale or sell any fruit which is below the minimum grade for such kind of fruit, except to a person engaged in the operation of a canning or jam factory or other processing plant.

4. This section is to facilitate the enforcement of the legislation, particularly with respect to fruit offered for sale by truckers and peddlars, and the advertising and display of fruit.

5. This is to stop misrepresentation and to provide more assurance to the consumer that in purchasing certain kinds of fruit he is getting the grade or variety desired.

9. Distribution of cull fruit or fruit unsuitable for domestic purposes has an adverse effect on the marketing of the fruit crop generally. A minimum quality for each kind of fruit for household purposes will be established and fruit below that minimum may be sold for processing purposes only.

Obliterating old marks when re-using packages.

10. No person by himself or his agent shall sell, expose, offer for sale or have in his possession intended for sale or shall use again for packing or repacking fruit any container previously marked in accordance with the Act and regulations unless he first completely removes, erases or obliterates the previous marks.

Using mark assigned to other person.

11. Every person who unlawfully uses any registered number or mark assigned to any other person as if such number or mark had been assigned to him, shall be guilty of an offence.

Unlawfully using mark, etc.

12. Every person who in respect of any package of fruit unlawfully uses any brand, stencil or label designating the owner, packer or shipper, shall be guilty of an offence.

Unlawfully obliterating etc.

13. Every person who unlawfully alters, effaces or obliterates, or causes to be altered, effaced or obliterated, wholly or partially, any marks on any package which has been inspected shall be guilty of an offence.

Carelessly destroying fruit, etc.

14. Every person who carelessly handles, destroys or pilfers any fruit in the process of packing or handling in transportation, warehousing or otherwise, shall be guilty of an offence.

Receiving fruit for carriage not properly certified.

15. No person engaged in the operation of any railway, vessel or other carrier shall receive any fruit for carriage to a destination outside the province where the same is received unless the packages containing such fruit are marked as required by regulation, and any inspection certificate or evidence of inspection prescribed by regulation is attached to the bill of lading or the railway car or both, or in the case of a motor truck or other vehicle is carried by the person in charge.

Obstructing an inspector.

16. Every person who obstructs any inspector or who refuses to permit fruit to be inspected or gives to an inspector a false name or address or any other false information, shall be guilty of an offence.

INSPECTORS.

Powers of inspectors.

17. Any inspector appointed under this Act may at any time, for the purposes of carrying into effect any provision of this Act or regulations made thereunder,

(a) enter any place or premises, or any steamship, vessel or boat, or any carriage, car, truck or other vehicle used for the carriage of fruit;

10. Collection and distribution of used packages without removing original marks has become a practice which is proving injurious to many growers who have built up a reputation for their product. It is unfair also to the consumer.

15. To facilitate control of the initial movement of fruit which, on account of insect injury or for other cause, should be restricted.

17. To enable Inspectors to obtain necessary information in the interest of the industry and to give necessary jurisdiction of inspections in transit, particularly the truck movement.

(*b*) require to be produced for inspection or for the purpose of obtaining copies thereof or extracts therefrom, any books, shipping bills, bills of lading, sales records, temperature records or other papers;

(*c*) inspect any fruit which is being transported by any vehicle and require the driver of any vehicle suspected to be carrying fruit, to stop for the purpose of inspection;

(*d*) detain for the time necessary to complete his inspection, any shipment of fruit.

Detention of fruit and notice

18. Fruit detained under this Act or regulations shall at all times be at the risk and expense of the owner, but the inspector shall immediately notify the packer, owner, or person having possession of such fruit, by prepaid telegram, letter or otherwise, that such fruit is being detained in storage or otherwise as the case may be.

Packer.

19. The person whose name is marked on any package of fruit as the packer shall be deemed to be the packer thereof.

Head packers.

20. The Minister may, at the request of any Provincial Fruit Growers' Association, authorize the registration of foremen packers or head packers in charge of or responsible for the work of one or more persons engaged in packing of fruit in orchards, packing houses, warehouses or other premises.

Certificate to be *prima facie* evidence.

21. An inspection certificate purporting to be signed by an inspector shall be receivable in evidence without proof of the signature of the inspector and shall be *prima facie* evidence of the truth of the statements contained therein.

PENALTIES.

Offences against sections 4 to 15.

22. (1) Every person who, by himself or by his agent, commits an offence against any of the provisions of sections four to fifteen inclusive of this Act shall be liable upon summary conviction for a first offence to a fine not exceeding fifty dollars and not less than twenty-five dollars; for the second offence to a fine not exceeding one hundred dollars and not less than fifty dollars; and for the third and each subsequent offence to a fine not exceeding two hundred dollars and not less than one hundred dollars, together in all cases with the costs of prosecution; and in default of payment of the fine and costs, such person shall be liable to imprisonment for any term not exceeding one month unless the fine and costs and the costs of enforcing the same are sooner paid.

20. It is believed that the standard of individual or warehouse pack of fruit can be improved by requiring registration of foremen and head packers under certain qualifications.

Additional penalty.

(2) Whenever any such violation is in respect of a lot or shipment of fifty or more packages, there may be imposed, in addition to any penalty provided by subsection one of this section, for the first offence twenty-five cents, for the second offence fifty cents, and for the third and each subsequent offence one dollar, for each package in excess of fifty in respect of which such violation is committed.

Offence against section 16.

(3) Every person who commits an offence against any of the provisions of section sixteen shall be liable on summary conviction to a fine of not less than two hundred dollars and in default of payment of the fine and costs to imprisonment for a term not exceeding sixty days unless the fine and costs and the costs of enforcing the same are sooner paid.

Offences generally.

(4) Every person who violates any provision of the Act or regulations in respect of which no specified penalty is imposed shall be liable on summary conviction to a fine not exceeding fifty dollars nor less than twenty-five dollars and in default of payment of the fine and costs to imprisonment for any term not exceeding one month unless the fine and costs and the costs of enforcing the same are sooner paid.

Detention of fruit.

23. All fruit and all fruit packages in respect of which any offence against this Act or regulations is committed may be placed under detention by an inspector at the risk and expense of the owner until such time as such fruit or fruit packages are made to comply with the provisions of this Act or regulations thereunder, or after a conviction of the owner by a court of competent jurisdiction, may be forfeited to His Majesty and may be destroyed or otherwise disposed of as the Minister may direct.

Complaints and averments.

24. For the purpose of jurisdiction under the provisions, of the *Criminal Code* relating to summary convictions, in any complaint, information or conviction for a violation of any of the provisions of this Act or regulations, the matter complained of may be alleged and shall be held to have arisen at the place where the fruit was packed, sold, offered, exposed or had in possession for sale or transportation, as the case may be, or at the residence or usual place of residence of the accused.

Application of fines.

25. Any pecuniary penalty imposed under this Act shall, when recovered, be payable to His Majesty in the right of the Dominion of Canada.

Remedies preserved.

26. No proceedings taken under this Act or conviction recorded shall in any way affect the right of any person to any legal remedy to which he may otherwise be entitled.

23. To permit of withdrawing from sale or to detain fruit which is contrary to the provisions of the Act.

Coming into force of regulations.

27. Regulations made under this Act shall be in force from the date of their publication in the *Canada Gazette* unless otherwise provided therein.

Appointment of inspectors.

28. There may be appointed from time to time in the manner authorized by law such inspectors as are necessary for the enforcement of this Act.

REPEAL.

Act repealed.

29. The *Fruit Act*, chapter eighty of the Revised Statutes of Canada, 1927, is hereby repealed.

PART II.

LICENSING OF INTERPROVINCIAL TRADERS

INTERPRETATION.

Definitions.

30. In this Part and in the regulations made thereunder, unless the context otherwise requires,

"Broker." *(a)* "broker" means any person engaged in negotiating consignments, sales and purchases for or on behalf of the vendor or purchaser respectively.

"Commission agent." *(b)* "commission agent" means any person who receives and handles fruits and vegetables on commission;

"Dealer." *(c)* "dealer" means any person who deals in fruit or vegetables to the amount of five carloads or the equivalent in any calendar year, but if a retail dealer, to the amount of ten carloads or the equivalent in any calendar year.

Commission agent to obtain licence.

31. No commission agent shall accept or offer to accept for sale on commission, or otherwise deal in any fruit or vegetables shipped from a point outside the province in which he carries on business unless he has obtained a licence from the Minister.

Dealer to obtain licence.

32. No dealer shall ship, buy, accept or offer to accept or otherwise deal in any fruit or vegetables shipped from or to a point outside the province in which he carries on business unless he has obtained a licence from the Minister.

Broker to obtain licence.

33. No broker shall engage in negotiating shipments on consignment, sales or purchases of any fruit or vegetables from or to a point outside the province in which he carries on business for or on behalf of the vendor or purchaser unless he has obtained a licence from the Minister.

PART II.

The purpose of this Part is to control the sale of fruits and vegetables moving in interprovincial or foreign trade, to safeguard to the producer the monies realized from the sale of his produce and to prevent unfair practices in the handling and selling of such products.

Regulations.

34. The Minister may from time to time make regulations:—

(a) to prescribe the conditions respecting applications for and the issue of licences, the duration of same and the fees to be paid therefor;

(b) to prescribe the conditions upon which licences are to be issued, renewed, suspended or revoked;

(c) to prescribe the form in which records and accounts of commission sales shall be kept and conditions under which payments shall be made to the shipper or his agent by commission agent;

(d) to require a licensee to furnish a bond upon such conditions as are deemed necessary for the performance of his obligations and duties hereunder;

(e) to prescribe the quantities for any kind or kinds of fruit or vegetables as constituting a carload;

(f) as may be deemed necessary for the efficient enforcement and operation of this Part.

Offences and penalties.

35. Every person who violates any provision of this Part or any regulations made hereunder shall be guilty of an offence punishable on summary conviction by a fine not exceeding one thousand dollars and not less than one hundred dollars together with the costs; and in default of payment of the fine and costs such person shall be liable to imprisonment for a term not exceeding two months, unless the fine and costs and the costs of enforcing the same are sooner paid.

PART III.

GRADING, INSPECTION AND ASSEMBLING OF HONEY FOR EXPORT.

INTERPRETATION.

Definition.

36. In this Part and the regulations made thereunder, unless the context otherwise provides:

"Export."

(a) "Export" means the shipment of honey from the province in which it is produced to any other province or out of Canada.

REGULATIONS.

Regulations.

37. The Minister may from time to time make regulations:

Grades.

(a) to provide for the classification of honey and for one or more grades for each class of honey; the person who shall be responsible for classifying and grading

PART III.

The purpose of this Part is to establish classes and grades for all Canadian honey shipped from the province in which it is produced to any other province or out of Canada;
to require grading of honey shipped from the province in which it is produced to any other province or out of Canada, with a view to developing a uniform quality with uniform class and grade marks for Canadian honey moving from province to province or to markets outside of Canada;
to require inspection for all honey moving out of Canada;
to provide for sanitary conditions of all premises in which honey is prepared, packed, classified and graded when intended for shipment from the province in which it is produced to any other province or out of Canada;
to provide for the registration of persons engaged in the assembling of honey for export.

honey; and provision for variation incident to commercial grading, handling and packing for each of such grades.

Marks. *(b)* to provide the marks which shall be placed on any container of honey, intended for export, including the net weight, and the manner and method by which the same shall be placed thereon, and the person who shall be responsible to mark the containers.

Containers. *(c)* to prescribe the quality, form, dimensions and capacity of all containers in which honey shall be packed for export and the materials of which such containers shall be made.

Inspection and certificate. *(d)* to provide for the inspection of and the issuing of a certificate for honey intended for export, the conditions under which inspection shall be made and certificate issued, and the inspection fees, which shall be payable.

Registration. *(e)* relating to the conditions under which application for registration shall be made, granted, refused, suspended or revoked; the duration of same and the fees which shall be payable.

Shipping and transportation. *(f)* relating to the manner in which inspection certificates shall be attached to bills of lading and such other provisions as may be necessary in respect to the shipping or transportation of honey.

Numbers and marks. *(g)* approving of registered numbers or other marks to designate the packer in the case of any co-operative association, exporter or person dealing in honey wholesale.

Coming into effect of regulations. *(h)* to prescribe the time when any regulation shall come into effect, the classes and grades of honey to which it shall apply, and the part or parts of Canada within which it shall be in force.

Sanitation. *(i)* relating to cleanliness and sanitation of all premises in wh ch honey is assembled or from which honey is classified, graded or packed for export;

Enforcement and operation. *(j)* relating to the transportation of honey and the display or the advertisement of the same for export or such other matter as may be deemed necessary for the efficient enforcement and operation of this Part and for carrying out its provisions according to the true intent and meaning and for the better attainment of its objects.

Fines and imprisonment. *(k)* to prescribe punishment for the violation of any regulation including maximum and minimum fines not exceeding two hundred dollars and imprisonment not exceeding one month for default in payment of any such fine.

Selling, etc.

38. No person shall sell or offer for sale for export, any honey which has not been classified, graded, packed, labelled, marked and/or inspected as required by this Act and regulations.

Receiving for transportation, etc.

39. No person shall receive for transportation, transport or cause to be transported by any railway, vessel, motor truck or other vehicle any honey in containers intended for export unless in possession of any inspection certificate required by this Act and regulations.

Registration.

40. All persons engaged in the assembling of honey intended for export shall be registered by the Minister.

Inspection and sanitation.

41. An inspection of honey and of the sanitary conditions of all premises in which honey is prepared, packed, classified and graded for export shall be conducted under such conditions, sanitary and otherwise, as may be prescribed by the regulations.

Sections to apply.

42. Section two and sections four to twenty-eight inclusive, except insofar as the same are inconsistent with the provisions of this Part, shall apply in the case of honey intended for export, and for the purposes of this section the word "Honey" shall be substituted for the word "Fruit" wherever it occurs in the said sections.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 27.

An Act to incorporate Thousand Islands Bridge Company.

First reading, March 6, 1934.

(PRIVATE BILL.)

Mr. MALONEY.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
76477 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 27.

An Act to incorporate Thousand Islands Bridge Company.

Preamble.

WHEREAS a petition has been presented praying that the persons hereinafter named may be constituted a corporation for the purposes and with the powers hereinafter stated, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Incorporation.

1. John Gilbert Mitchell, farmer, and David Arthur Haig, contractor, both of the township of the front of Leeds and Lansdowne, in the county of Leeds, in the province of Ontario, George Berryhill Acheson, warehouseman, Harold MacKinlay Code, barrister-at-law, and Arthur Cyril Boyce, barrister-at-law, all of the city of Ottawa, in the county of Carleton, in the said province of Ontario, together with such persons as become shareholders in the Company, are hereby incorporated under the name of "Thousand Islands Bridge Company," hereinafter called "the Company."

Corporate name.

Provisional directors.

2. John Gilbert Mitchell, David Arthur Haig, George Berryhill Acheson, Harold MacKinlay Code and Arthur Cyril Boyce, named in section one, are constituted the provisional directors of the Company.

Capital stock.

3. (1) The capital stock of the Company shall consist of fifty thousand shares having a par value of ten dollars each.

Preference stock.

(2) The Company, if previously authorized by a resolution passed by the ordinary shareholders at any annual meeting or at any special general meeting duly called for that purpose, at which meeting shareholders representing at least three-fourths in value of the subscribed ordinary stock of the company are present or represented by proxy, may issue any portion of its capital stock as preference stock, and preference stock so issued shall have such preference and priority as respects dividends or otherwise, over ordinary

Shareholders.

stock as is declared by such resolution. Holders of such preference stock shall be deemed to be shareholders within the meaning of this Act, and shall, in all respects in addition to the preference and priority provided by this section, possess the rights and be subject to the liabilities of such shareholders.

Head office.

4. The head office of the company shall be at the city of Ottawa in the province of Ontario, and any general meeting of the shareholders may be held elsewhere than at the head office of the company.

Annual meeting.

5. The annual meeting of the shareholders shall be held on the second Monday in May of each year.

Number of directors.

6. The number of directors, the majority of whom shall be Canadian citizens, shall be not less than five nor more than seven, one or more of whom may be paid directors.

Powers.

7. (1) The Company may,—

Canadian Channel Bridge.

(a) construct, maintain and operate a bridge, hereinafter referred to as the Canadian Channel Bridge, across a portion of the Saint Lawrence River for the passage of pedestrians, vehicles and carriages of every description other than railway and electric cars, and for any other like purpose, with all such necessary approaches and roads giving access to such bridge, from a point at or near Ivy Lea in the townships of Leeds and Lansdowne in the county of Leeds, in the province of Ontario, with power to traverse and erect and maintain piers on Georgina Island and Constance Island, to a point on Hill Island in said townships in accordance with plans to be approved by the Governor in Council, and may purchase, acquire and hold such real estate and other equipment required for the convenient working of traffic to, from and over the said bridge as the company thinks necessary for any of the said purposes, and, with the approval and consent of the township municipality, build roads or driveways upon, along and across said Hill Island from the outlet of said bridge thereon to the shore of the said River at a point known as "The Rift," and may lay out and maintain on said Hill Island a park or recreation grounds and public gardens and provide such usual facilities for tourist accommodation, traffic and service as may be incidental to the objects stated;

International Bridge.

(b) construct, maintain and operate a bridge (hereinafter called the International Bridge) across that portion of the Saint Lawrence River between Hill Island in the province of Ontario and Wellesley Island in the state of New York, one of the United States of America, at

the point commonly called "The Rift," for the passage of pedestrians, vehicles and carriages of every description other than railway or electric cars, and for any other like purpose, with all such necessary approaches and in accordance with plans to be approved by the Governor in Council and with other incidental powers as in the preceding subsection mentioned; and to connect all of said works by this Act authorized with similar works in the state of New York, thereby establishing a through highway between the Canadian and American shores of said river from Ivy Lea in the province of Ontario to a point at or near Collins Landing in the state of New York; but the company shall not commence the actual construction of the said bridge in this subsection mentioned, nor exercise any of the powers hereunder until an Act of the Senate and Legislative Assembly of the state of New York or of other competent legislative authority in the United States of America has been passed authorizing or approving such bridging of the said river between the said Hill and Wellesley Islands, but the company may, in the meantime, acquire the lands, submit their plans to the Governor in Council and do all other things authorized by this Act respecting or affecting the same.

Certain statutes to apply.

(2) The powers granted under the next preceding subsection hereof shall be subject to the *Navigable Waters Protection Act*, chapter one hundred and forty of the Revised Statutes of Canada, 1927, and the *Railway Act*, chapter one hundred and seventy of the Revised Statutes of Canada 1927.

Declaratory.

8. All the works and undertakings of the Company in the preceding section set forth are declared to be works for the general advantage of Canada.

Additional powers. Expropriation.

9. The Company may,—

(a) subject to and in accordance with the provisions of the *Railway Act*, expropriate and take any lands actually required for the construction, maintenance and operation of the said bridges, or may expropriate and take an easement in, over, under or through such lands without the necessity of acquiring a title in fee simple thereto, after the plan of such lands has been approved by the Governor in Council;

R.S., c. 170.

Entry on property.

(b) enter into and upon any lands, buildings or structures proximate to the said bridges for the purpose of ascertaining the state of repair thereof, and for devising the best means of avoiding any possible damage which the execution of the authorized works might occasion thereto, and make upon or in connection therewith any works, repairs or renewals, for the purpose of preventing

or mitigating any such damage, and the Company, shall make compensation in the manner specified in the *Railway Act*, to all persons interested for the damage sustained by them (if any) by reason of the exercise of the powers in this clause contained; and section two hundred and thirty-nine of the *Railway Act* shall apply to the exercise of the powers in this clause granted so far as is necessary to enable the Company to carry them into effect.

Plans, location, etc., to be approved.

10. Both the said bridges shall be constructed and located under and be subject to, such regulations for the security of navigation of the said river as the Governor in Council prescribes, and to such end the Company shall submit to the Governor in Council for examination and approval, a design and drawing of both the said bridges and a map of the location, giving the soundings accurately, showing the bed of the stream and the location of other bridges, and shall furnish such other information as is required for a full and satisfactory understanding of the subject, and until the said plans and location are approved by the Governor in Council the bridge concerned shall not be built or commenced; and if any change is made in the plans of either of the said bridges during construction, every such change shall be subject to the approval of the Governor in Council and shall not be made or commenced until it is so approved.

Bonds, debentures and other securities.

11. (1) The Company may issue bonds, debentures or other securities in aid of the construction herein mentioned to an amount not exceeding two million dollars in aid of the construction of the works authorized by this Act; and such bonds, debentures or other securities shall be secured by deed of mortgage; and such deed of mortgage shall contain provisions that all tolls and revenues derived from the use of said bridges or either of them, subject to the necessary operating costs, shall be specially charged and pledged as security for the payment of interest on such security.

Provincial act to apply.

(2) No securities whether shares of stock, bonds, debentures or other securities shall be issued by the Company unless and until the Governor in Council has been satisfied that the Company has, in respect of such securities, complied with "*The Security Fraud Prevention Act, 1930*" of the province of Ontario and amendments thereto.

Payments may be made in paid-up stock.

12. Subject to the provisions of the *Companies Act*, the directors may issue as paid-up stock shares of the capital stock of the Company in payment of any business, franchises, undertakings, rights, powers, privileges, letters patent, inventions, real estate, stocks, assets and other properties which the Company may lawfully acquire, and

may, for such considerations allot and hand over such shares to any person or corporation or its shareholders or directors; and any such issue or allotment of stock shall be binding upon the Company and such stock shall not be assessable for calls; nor shall the holder thereof be liable in any way thereon; or the Company may pay therefor wholly or partly in paid-up shares or wholly or partly in bonds and debentures or as may be agreed upon.

Company may receive grants or subsidies.

13. The Company may receive by grant from any government, municipality or persons, as aid in the construction, equipment and maintenance of the said bridges and works connected therewith, any real or personal estate or property, or any sums of money, debentures or subsidies, either as gifts by way of bonus or guarantee, or in payment or as subventions for services and may dispose thereof and may alienate such of the said property as is not required for the purposes of the Company in carrying out the provisions of this Act.

Tolls. 1929, c. 54, s. 1.

14. Subject to the provisions of section 41A of the *Railway Act*, the Company may charge tolls for the use of the said bridges, approaches and facilities, and may regulate the tolls to be charged.

Agreements with other companies.

15. The Company may, subject to the provisions of sections one hundred and fifty-one to one hundred and fifty-three inclusive, of the *Railway Act*, enter into an agreement with any other Company incorporated by the laws of Canada or of the United States of America, or of any state thereof, for the purpose of completing its undertaking, and after completion thereof, for the control, maintenance, management or use of the said bridges or either of them and appurtenances, and acquiring the approaches and lands therefor in the state of New York as well as in Canada; and of uniting and/or amalgamating its stock, property and franchise with the stock, property and franchise of any such Company.

Agreement for amalgamation.

16. (1) Upon the agreement for amalgamation coming into effect as provided in the last preceding section, all and singular the property, real, personal and mixed, and all rights and interest appurtenant thereto, all stock subscriptions and other debts due on whatever account, and other things in action belonging to such companies or either of them, shall be taken and deemed to be transferred to and vested in such new company, without further act or deed: Provided, however, that all rights of creditors and all liens upon the property of either of such companies shall be unimpaired by such amalgamation, and all debts, liabilities and duties of either of the said companies shall thenceforth

attach to the new company and may be enforced against it to the same extent as if the said debts, liabilities and duties had been incurred or contracted by it: Provided, also, that no action or proceedings, legal or equitable, by or against the said companies so amalgamated or either of them, shall abate or be affected by such amalgamation, but for all the purposes of such action or proceeding such company may be deemed still to exist, or the new company may be substituted in such action or proceeding in the place thereof.

One vote for each share.

(2) At all meetings of the shareholders of the amalgamated company hereinbefore provided for, each shareholder shall be entitled to cast one vote for each share of stock held by him, and to vote either in person or by proxy.

Time for commencement of construction.

17. Construction of the said bridges shall be commenced within two years after the Governor in Council as regards the bridge across the Canadian Channel; and the Governor in Council and the Executive of the United States or other competent authority therein, as regards the international bridge have, respectively, approved of such bridging, and shall be completed within three years after such commencement, otherwise the powers granted by this Act shall cease and be null and void as respects so much of either of such undertakings as may then remain uncompleted: Provided, however, that if such approval is not obtained within two years after the passing of this Act, the powers granted for the construction of either bridge not so approved, shall cease and be null and void.

Time for completion.

Retirement of stock and obligations.

18. (1) The Company and all Companies mentioned in sections fifteen and sixteen with which the Company has united or become amalgamated shall enact and prescribe by by-law the manner and periods in which the corporate obligations and stock of the Company or companies shall be retired, and the Company and each of said companies shall submit every such by-law so enacted to the Governor in Council for approval; and no issue of bonds of the Company or any such company shall be sold or offered for sale unless and until such by-law or by-laws shall have been so enacted and approved.

When obligations have been retired.

(2) When the corporate obligations and stock of the Company and of any of the companies mentioned in sections fifteen and sixteen of this Act, with which this Company has united or become amalgamated in the construction of the works specified in section nine hereof, have been retired, in the manner prescribed in their by-laws, then the said International bridge and the approaches thereto and all appurtenant structures, property, property rights and franchises, so far as the same are located within the United States, shall be conveyed by the said Company, its successors and assigns, to the State of New York or as the legisla-

ture of said State may designate; and as to such part of said International Bridge as is situated within the Dominion of Canada, and as to the whole of the Canadian Channel bridge, shall be conveyed without cost or expense to the Dominion of Canada or otherwise, as the Governor in Council may designate, and all rights, title and interest of said Company, its successors and assigns, therein or in either of same shall then cease and determine.

Consent of municipality.

19. Notwithstanding anything in this Act the Company shall not locate, construct or operate any of the works mentioned in this Act upon or connect the same with any highway, street or other public place, without first obtaining the consent expressed by by-law, of the municipality having jurisdiction over such highway, street or other public place, and upon terms to be agreed with such municipality, and failing such consent, within sixty days from the date of the request made in writing by the Company for such consent to the said municipality, then upon such terms as are fixed by the Board of Railway Commissioners for Canada.

Employment of labour.

20. (1) The employment of labour in the construction, maintenance and supervision of the said bridges shall be subject to the terms and conditions of *The Fair Wages and Eight Hour Day Act, 1930.*

Materials.

(2) Canadian materials and labour to the extent of at least fifty per centum must be used in the construction of the said international bridge and a certified statement shall be sent weekly to the Department of Labour giving the names and addresses of firms supplying materials and the quantity thereof.

Companies Act to apply.

21. The *Companies Act* shall, so far as it is not inconsistent with the provisions of this Act, apply to the Company.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 27.

An Act to incorporate Thousand Islands Bridge Company.

AS PASSED BY THE HOUSE OF COMMONS,
27th APRIL, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
76479 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 27.

An Act to incorporate Thousand Islands Bridge Company.

Preamble.

WHEREAS a petition has been presented praying that the persons hereinafter named may be constituted a corporation for the purposes and with the powers hereinafter stated, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Incorporation.

1. John Gilbert Mitchell, farmer, and David Arthur Haig, contractor, both of the township of the front of Leeds and Lansdowne, in the county of Leeds, in the province of Ontario, George Berryhill Acheson, warehouseman, Harold MacKinlay Code, barrister-at-law, and Arthur Cyril Boyce, barrister-at-law, all of the city of Ottawa, in the county of Carleton, in the said province of Ontario, together with such persons as become shareholders in the Company, are hereby incorporated under the name of "Thousand Islands Bridge Company," hereinafter called "the Company."

Corporate name.

Provisional directors.

2. John Gilbert Mitchell, David Arthur Haig, George Berryhill Acheson, Harold MacKinlay Code and Arthur Cyril Boyce, named in section one, are constituted the provisional directors of the Company.

Capital stock.

3. (1) The capital stock of the Company shall consist of fifty thousand shares having a par value of ten dollars each.

Preference stock.

(2) The Company, if previously authorized by a resolution passed by the ordinary shareholders at any annual meeting or at any special general meeting duly called for that purpose, at which meeting shareholders representing at least three-fourths in value of the subscribed ordinary stock of the company are present or represented by proxy, may issue any portion of its capital stock as preference stock, and preference stock so issued shall have such preference and priority as respects dividends or otherwise, over ordinary

Shareholders.

stock as is declared by such resolution. Holders of such preference stock shall be deemed to be shareholders within the meaning of this Act, and shall, in all respects in addition to the preference and priority provided by this section, possess the rights and be subject to the liabilities of such shareholders.

Head office.

4. The head office of the company shall be at the city of Ottawa in the province of Ontario, and any general meeting of the shareholders may be held elsewhere than at the head office of the company.

Annual meeting.

5. The annual meeting of the shareholders shall be held on the second Monday in May of each year.

Number of directors.

6. The number of directors, the majority of whom shall be Canadian citizens, shall be not less than five nor more than seven, one or more of whom may be paid directors.

Powers.

7. (1) The Company may, in accordance with plans to be approved by the Governor in Council and whenever authorized by Acts of the Congress of the United States of America, and of the Legislature of the State of New York in said United States of America respectively, authorizing and approving such works, construct, maintain and operate the following bridges, approaches, roads and works for the passage of pedestrians and vehicles of every description, except railway and electric cars, and for any other like purpose, from a point at or near Ivy Lea in the townships of Leeds and Lansdowne in the county of Leeds, in the Province of Ontario, across the Saint Lawrence River and islands therein, to a point at or near Collins Landing in the county of Jefferson, in the said State of New York, namely,—

Canadian Bridge.

(a) A bridge, hereinafter referred to as "the Canadian Bridge", from a point at or near Ivy Lea aforesaid, with power to traverse and erect and maintain piers upon Georgina Island and Constance Island, to a point on Hill Island in said townships and, with the approval and consent of the township municipality, build roads upon, along or across said Hill Island from the outlet of said bridge thereon to the shore of said Island at a point known as "the Rift" being the channel of such River through which runs the boundary line between Canada and the United States of America;

International Bridge.

(b) A bridge, (hereinafter called "the International Bridge") across "the Rift" aforesaid, from a point on said Hill Island, Canada, to Wellesley or Wells Island in the said State of New York, and there to connect the hereinbefore described works with roads and similar works authorized in the State of New York as part of the said through highway;

American Bridge.

(c) A bridge, (hereinafter called "the American Bridge") from some suitable and convenient point on the southerly or easterly shore of Wellesley or Wells Island, in the State of New York, to a point at or near Collins Landing in the town of Orleans, Jefferson County, in the said State of New York, in the United States of America;

and may exercise all necessary and incidental powers for the proper equipment, management and control of the said bridges and works for the purposes aforesaid.

Powers subject to Railway Act. R.S., c. 170.

(2) The powers granted under the next preceding subsection hereof shall be subject to the *Railway Act* of Canada in so far as the said Act is applicable and not inconsistent herewith, and the use of any national park lands required for the

National park lands.

construction, maintenance and operation of the Canadian bridge shall be subject to the compliance by the Company with such terms and conditions governing the use of such lands as the Governor in Council may approve.

Declaratory.

8. All the works and undertakings of the Company in the preceding section set forth are declared to be works for the general advantage of Canada.

Additional powers. Expropriation.

9. The Company may,—

(a) subject to and in accordance with the provisions of the *Railway Act*, expropriate and take any lands in Canada actually required for the construction, main-

R.S., c. 170.

tenance and operation of the said bridges, or may expropriate and take an easement in, over, under or through such lands without the necessity of acquiring a title in fee simple thereto, after the plan of such lands has been approved by the Governor in Council;

Entry on property.

(b) enter into and upon any lands, buildings or structures proximate to the said bridges for the purpose of ascertaining the state of repair thereof, and for devising the best means of avoiding any possible damage which the execution of the authorized works might occasion thereto, and make upon or in connection therewith any works, repairs or renewals, for the purpose of preventing or mitigating any such damage, and the Company, shall make compensation in the manner specified in the *Railway Act*, to all persons interested for the damage sustained by them (if any) by reason of the exercise of the powers in this clause contained; and section two hundred and thirty-nine of the *Railway Act* shall apply to the exercise of the powers in this clause granted so far as is necessary to enable the Company to carry them into effect.

Plans, location, etc., to be approved.

10. The said bridges shall be constructed and located under and be subject to, such regulations for the security of navigation of the said river as the Governor in Council prescribes, and to such end the Company shall submit to the Governor in Council for examination and approval, a design and drawing of both the said bridges and a map of the location, giving the soundings accurately, showing the bed of the stream and the location of other bridges, and shall furnish such other information as is required for a full and satisfactory understanding of the subject, and until the said plans and location are approved by the Governor in Council the bridge concerned shall not be built or commenced; and if any change is made in the plans of either of the said bridges during construction, every such change shall be subject to the approval of the Governor in Council and shall not be made or commenced until it is so approved.

Bonds, debentures and other securities.

11. (1) The Company may issue bonds, debentures or other securities in aid of the construction herein mentioned to an amount not exceeding two million dollars in aid of the construction of the works in Canada authorized by this Act; and such bonds, debentures or other securities shall be secured by deed of mortgage; and such deed of mortgage shall contain provisions that all tolls and revenues derived from the use of said bridges or either of them, subject to the necessary operating costs, shall be specially charged and pledged as security for the payment of interest on such security.

Provincial act to apply.

(2) No securities whether shares of stock, bonds, debentures or other securities shall be issued by the Company unless and until the Governor in Council has been satisfied that the Company has, in respect of such securities, complied with "*The Security Fraud Prevention Act, 1930*" of the province of Ontario and amendments thereto.

Payments may be made in paid-up stock.

12. Subject to the provisions of the *Companies Act*, the directors may issue as paid-up stock shares of the capital stock of the Company in payment of any business, franchises, undertakings, rights, powers, privileges, letters patent, inventions, real estate, stocks, assets and other properties which the Company may lawfully acquire, and may, for such considerations allot and hand over such shares to any person or corporation or its shareholders or directors; and any such issue or allotment of stock shall be binding upon the Company and such stock shall not be assessable for calls; nor shall the holder thereof be liable in any way thereon; or the Company may pay therefor wholly or partly in paid-up shares or wholly or partly in bonds and debentures or as may be agreed upon.

Company may receive grants or subsidies.

13. The Company may receive by grant from any government, municipality or persons, as aid in the construction, equipment and maintenance of the said bridges and works connected therewith, any real or personal estate or property, or any sums of money, debentures or subsidies, either as gifts by way of bonus or guarantee, or in payment or as subventions for services and may dispose thereof and may alienate such of the said property as is not required for the purposes of the Company in carrying out the provisions of this Act.

Tolls.
1929, c. 54, s. 1.

14. Subject to the provisions of section 41A of the *Railway Act*, the Company may charge tolls for the use of the said bridges, approaches and facilities, and may regulate the tolls to be charged.

Agreements with other companies.

15. The Company may unite with any company or companies incorporated under the laws of Canada or of the State of New York or of the United States of America, or any state thereof, or with any public authority, body or commission constituted under the laws of Canada or of the State of New York or of the said United States or any State thereof, in financing, controlling, building, working, managing, maintaining and using the said bridges, terminals and approaches, and may make agreements with any such company or companies, public authority, body, or commission respecting the financing, control, construction, maintenance, management and use of the said bridges and appurtenances, and may, subject to the provisions of sections one hundred and fifty-one, one hundred and fifty-two and one hundred and fifty-three of the *Railway Act*, make arrangements with any such company or companies, for conveying or leasing any of the said bridges to such company or companies, in whole or in part, or any rights or powers acquired by it, as also the franchise, surveys, plans, works, plant, machinery and other property to it belonging, or for an amalgamation with any such company, on such terms and conditions as are agreed upon and subject to such restriction as the directors deem fit.

Agreement for amalgamation.

16. (1) Upon the agreement for amalgamation coming into effect as provided in the last preceding section, all and singular the property, real, personal and mixed, and all rights and interest appurtenant thereto, all stock subscriptions and other debts due on whatever account, and other things in action belonging to such companies or either of them, shall be taken and deemed to be transferred to and vested in such new company, without further act or deed: Provided, however, that all rights of creditors and all liens upon the property of either of such companies shall be unimpaired by such amalgamation, and all debts, liabilities and duties of either of the said companies shall thenceforth

attach to the new company and may be enforced against it to the same extent as if the said debts, liabilities and duties had been incurred or contracted by it: Provided, also, that no action or proceedings, legal or equitable, by or against the said companies so amalgamated or either of them, shall abate or be affected by such amalgamation, but for all the purposes of such action or proceeding such company may be deemed still to exist, or the new company may be substituted in such action or proceeding in the place thereof.

One vote for each share.

(2) At all meetings of the shareholders of the amalgamated company hereinbefore provided for, each shareholder shall be entitled to cast one vote for each share of stock held by him, and to vote either in person or by proxy.

Time for commencement of construction.

17. Construction of the said bridges shall be commenced within two years after the Governor in Council as regards the Canadian bridge; and the Governor in Council and the Executive of the United States or the State of New York or other competent authority therein, as regards the international and American bridges have, respectively,

Time for completion.

approved of such bridging, and shall be completed within three years after such commencement, otherwise the powers granted by this Act shall cease and be null and void as respects so much of such undertakings as may then remain uncompleted: Provided, however, that if such approval is not obtained within two years after the passing of this Act, the powers granted for the construction of any bridge not so approved, shall cease and be null and void.

Retirement of stock and obligations.

18. (1) The Company and all companies or authorities mentioned in sections fifteen and sixteen with which the Company has united or become amalgamated shall enact and prescribe by by-law the manner and periods in which the corporate obligations and stock of the Company, companies or authorities shall be retired, and the Company and each of said companies or authorities shall submit every such by-law so enacted to the Governor in Council for approval; and no issue of bonds of the Company or any such company or authority shall be sold or offered for sale unless and until such by-law or by-laws shall have been so enacted and approved.

Board of arbitration to determine cost of part of bridges in Canada.

(2) Immediately after the said bridges mentioned in section seven have been in operation for a period of two years a board of arbitration shall determine the cost of that part of the said bridges and of the approaches, roads and works mentioned in section seven situated in the Dominion of Canada. Such determination shall be filed with the Department of the Secretary of State and also with the Department of the Secretary of Ontario. The board shall consist of three members, one to be nominated by the Government of Ontario, the second by the Company

and the third by the Governor in Council. The Government of Ontario shall be entitled to acquire that portion of the said bridges, approaches, roads and works which are situated within the Dominion of Canada at any time after the expiration of the two year period of operation hereinbefore referred to at the cost hereinbefore mentioned, less such allowance for depreciation as a Board of arbitration constituted as aforesaid shall then determine; provided, however, that when the said bridges have been in operation for a period of forty years, the Government of Ontario shall be entitled to acquire that portion of the said bridges, approaches, roads and works which are situated within the Dominion of Canada without payment of any consideration therefor.

Power of Ontario to acquire them.

Consent of municipality.

19. Notwithstanding anything in this Act the Company shall not locate, construct or operate any of the works mentioned in this Act upon or connect the same with any highway, street or other public place, without first obtaining the consent expressed by by-law, of the municipality having jurisdiction over such highway, street or other public place, and upon terms to be agreed with such municipality, and failing such consent, within sixty days from the date of the request made in writing by the Company for such consent to the said municipality, then upon such terms as are fixed by the Board of Railway Commissioners for Canada.

Employment of labour.

20. (1) The employment of labour in the construction, maintenance and supervision of the said Canadian and International bridges shall be subject to the terms and conditions of *The Fair Wages and Eight Hour Day Act, 1930.*

Materials.

(2) Canadian materials and labour to the extent of at least fifty per centum must be used in the construction of the said international bridge and a certified statement shall be sent weekly to the Department of Labour giving the names and addresses of firms supplying materials and the quantity thereof.

Companies Act to apply.

21. The *Companies Act* shall, so far as it is not inconsistent with the provisions of this Act, apply to the Company.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 28.

An Act to incorporate Ancient Foresters' Mutual Life Insurance Company.

First reading, March 6, 1934.

(PRIVATE BILL.)

Mr. BELL
(Hamilton West).

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
76473 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 28.

An Act to incorporate Ancient Foresters' Mutual Life Insurance Company.

Preamble. 1898, c. 91; 1901, c. 101; 1908, c. 108; 1912, c. 93; 1923, c. 108; 1926-27, c. 106; 1931, c. 80.

WHEREAS the Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada, hereinafter called the Society, has by its petition represented that it was duly incorporated as a fraternal benefit society by chapter ninety-one of the statutes of 1898, and has under paragraph *(e)* of section one of the said chapter ninety-one, as amended by section one of chapter one hundred and eight of the statutes of 1908, by section one of chapter one hundred and eight of the statutes of 1923 and by chapter one hundred and six of the statutes of 1926-27, established and maintained a fund and with respect thereto effected contracts of life insurance, granted endowments, depending upon the contingency of human life, and generally carried on the business of life insurance in all its branches and forms, among the members of the Society, and has by its petition prayed that the said chapter ninety-one be amended by withdrawing the attributes of a fraternal benefit society from the said fund and the members thereof, and that the members of the fund be incorporated as a mutual life insurance company and that the said company be authorized to transact the business of life and disability insurance, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Members of fund *(e)* as at date of registry of new company, incorporated.

Corporate name.

1. The members of the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898 as at the date the Company hereby incorporated obtains registration under *The Canadian and British Insurance Companies Act, 1932.* are hereby incorporated as a mutual life insurance company under the name of "Ancient Foresters' Mutual Life Insurance Company", hereinafter called "the Company".

Company composed of policyholders who shall own and control its property and affairs.

2. The Company shall be composed of its policyholders, who shall own and control all its property and affairs as hereinafter provided, and each policyholder, during the continuance of his policy, shall be and is hereby constituted a member of the said Company.

Objects.

3. The objects of the said Company shall be,—

(a) to make contracts of life insurance with any person, and to grant, sell, or purchase annuities and endowments and generally to carry on the business of life insurance in all its branches and forms;

(b) to make contracts providing for the payment of disability benefits.

Present executive Council of Society to be provisional directors.

4. The provisional directors of the Company shall be the members of the Executive Council of the Society duly elected at the biennial meeting of the Society held at the city of Toronto in August, 1933, and they shall continue to act until the first general meeting of the Company, which shall be called by them within two months after the coming into force of this Act.

Present constitution to govern until new company obtains registration.

5. The said fund and its members shall be governed by the present constitution, by-laws and regulations until the Company shall have obtained registration under *The Canadian and British Insurance Companies Act, 1932.*

Meeting to be called of members, for purpose of considering and approving this Act.

6. The Executive Council of the Society shall, within five months' after the passing of this Act call a meeting of the members of the said fund at the city of Toronto for the purpose of considering and approving this Act.

Voting qualifications and directors' qualifications at first general meeting and two subsequent annual meetings.

7. At the first general meeting of the Company and at the two annual meetings held subsequent thereto,—

(a) every holder of a participating policy or policies of the said fund or of the Company for one thousand dollars or upwards, upon which no premiums are due, and upon which, premiums have been paid for at least three full years, shall be entitled to attend and vote and shall be considered a member of the Company for said purpose;

(b) every holder of a participating policy or policies of the Company for three thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, and upon which, premiums have been paid for at least three full years, shall be eligible for election as a director.

Voting qualifications and directors' qualifications thereafter, same as section six, subsection two, paragraph *(h)* of Can. and British Ins. Coys. Act 1932.

8. At the third annual meeting of the Company and at all subsequent annual or special general meetings,—

(a) every holder of a participating policy or policies of the Company for two thousand dollars or upwards, upon which no premiums are due, and upon which, premiums have been paid for at least three full years, shall be entitled to attend and vote and shall be considered a member of the Company for said purpose;

(b) every holder of a participating policy or policies of the Company for four thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, and upon which, premiums have been paid for at least three full years, shall be eligible for election as a director.

Directors.

9. (1) The property, business and affairs of the Company shall be managed by its board of directors.

Directors at first general meeting and two annual meetings thereafter.

(2) At the first general meeting of the Company, and at the first and second annual meetings held thereafter, there shall be elected not less than five, nor more than nine directors, who shall hold office for one year but shall be eligible for re-election.

Number of directors thereafter and term of office. See Can. and British Ins. Coys. Act 1932, section six, subsection two, paragraph *(e)*.

(3) The Company shall by by-law passed not less than three months prior to the holding of its third annual meeting, determine the number of directors to be elected at said annual meeting. The Company may by the said by-law provide that the directors, shall be elected for one, two or three years. If the by-law provides for a two years' or three years' term of office, it may also provide that the term of office shall be continuous for all directors, or that a certain proportion, not less than one-third shall retire annually. At the said annual meeting and each subsequent annual meeting there shall be elected a board as determined by by-law as aforesaid, but such board shall consist of not less than nine nor more than twenty-one directors, all of whom shall be eligible for re-election.

Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraphs *(b)* and *(f)*.

(4) The manager of the Company may be a director, but no agent or paid officer other than the manager, shall be eligible to be elected as a director. The words "paid officer" in this paragraph shall not include the chairman of the board of directors or the president and vice-president, or the president and first vice-president, if there is more than one vice-president elected under the provisions of paragraph six of this section. The majority of the directors elected, shall at all times be persons resident in Canada and subjects of His Majesty by birth or naturalization.

Can. and British Ins. Coys' Act, 1932, section six, subsection two, paragraph *(i)*.

(5) The election of directors shall be by ballot.

Officers. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(j)*.

(6) The directors shall from among themselves elect a president, and one vice-president or more; and may elect a chairman of the board of directors.

Quorum. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(k)*.

(7) At all meetings of directors for the transaction of business a majority of the board shall be a quorum when the number of directors does not exceed thirteen; when the number exceeds thirteen a quorum shall be seven.

Annual meetings. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(l)*.

(8) The Company shall have a fixed time in each year for its annual meeting and due notice of the annual meeting or any special general meeting of the members of the Company shall be given at least fifteen days before in two or more daily newspapers, published at or near the head office of the Company, and in the case of annual meetings the directors also shall cause such notice to be printed in prominent type on each renewal receipt issued by the Company.

Proxies. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(n)*.

(9) Every proxy representing a policyholder must be himself a policyholder and entitled to vote, and an instrument of proxy shall not be valid unless executed within three months of the date of the meeting at which it is to be used, and unless filed with the secretary of the Company, at least ten days before such meeting, and shall be used only at such meeting or any adjournment thereof, and may be revoked at any time prior to such meetings.

Vacancies and board of directors. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(o)*.

(10) Vacancies occurring in the board of directors may be filled for the remainder of the term by the directors from among the qualified members of the Company.

Failure to elect directors. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(p)*.

(11) If at any time an election of directors is not made, or does not take effect at the proper time, the Company shall not be held to be thereby dissolved, but such election may take place at any general meeting of the Company duly called for such purpose, and the retiring directors shall continue in office until their successors are elected.

Business at annual meeting.

10. At any annual meeting of the Company all business shall be transacted without the necessity for specifying such business in the notice of such meeting; and at such annual meeting a general balance sheet and statement of affairs of the Company and the report of the auditors shall be laid before the members.

Head office.

11. The head office of the Company shall be in the city of Toronto, in the province of Ontario.

All assets of fund *(e)* vested in Company, subject to mortgages or liens.

12. All assets, rights, credits, effects and property real, personal and mixed of whatsoever kind and wheresoever situate belonging to the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898, and standing in the name of the Society or to which it is or may become entitled, are hereby vested in the Company, subject to existing mortgages or liens, if any.

Rights of creditors preserved.

13. Any person having any claim, demand, right, cause of action or complaint against the Society with respect to the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898 or to whom the Society is under any liability, obligation or contract with respect to said fund, shall have the same rights, and powers with respect thereto and to the collection and enforcement thereof from and against the Company as such person has against the Society.

Subordinate courts or other funds of Society not affected.

14. Nothing in this Act shall affect the business now being administered by the subordinate courts of the Society or any funds of the Society, other than the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898.

Rights of members of fund *(e)* as against other funds of the Society not affected.

15. Notwithstanding anything contained in this Act the members of the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898 shall retain any and all rights, powers and privileges they may have against the Society, in respect of the other funds of the Society.

Compensation for goodwill.

16. The Company shall within three months after the date at which it obtains registration under *The Canadian and British Insurance Companies Act, 1932,* pay to the Society the sum of twenty-five thousand dollars as compensation for goodwill.

Act to come into force on date to be specified by Supt. of Ins. on evidence satisfying him of the approval of two-thirds of members, at votes of meeting called for that purpose.

17. This Act shall come into force on a date to be specified by the Superintendent of Insurance in the notice published in the *Canada Gazette*, and such notice shall not be given until this Act has been approved by a resolution adopted by at least two-thirds of the votes of the members of said fund, present or represented by proxy at the meeting to be called by the executive council of the society for that purpose, nor until the Superintendent of Insurance has been satisfied by such evidence as he may require that such approval has been given.

Can. and British Ins. Coys. Act. to apply except where inconsistent.

18. *The Canadian and British Insurance Companies Act, 1932*, chapter forty-six of the statutes of 1932, shall apply to the Company except in so far as the said Act is inconsistent with the provisions of this Act.

Parts of society's Act of incorporation dealing with fund *(e)* and the members thereof repealed.

19. Paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898, as from time to time amended, section nine of the said Act, subsection one of section ten of the said Act, as amended by section five of chapter one hundred and eight of the statutes of 1908, and subsections two and three of section ten, of said chapter ninety-one of the statutes of 1898; and sections two, three and six of chapter one hundred and eight of the statutes of 1908 are hereby repealed.

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 28.

An Act to incorporate Ancient Foresters' Mutual Life Insurance Company.

AS PASSED BY THE HOUSE OF COMMONS, 29th MAY, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
76475 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 28.

An Act to incorporate Ancient Foresters' Mutual Life Insurance Company.

Preamble. 1898, c. 91; 1901, c. 101; 1908, c. 108; 1912, c. 93; 1923, c. 108; 1926-27, c. 106; 1931, c. 80.

WHEREAS the Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada, hereinafter called the Society, has by its petition represented that it was duly incorporated as a fraternal benefit society by chapter ninety-one of the statutes of 1898, and has under paragraph *(e)* of section one of the said chapter ninety-one, as amended by section one of chapter one hundred and eight of the statutes of 1908, by section one of chapter one hundred and eight of the statutes of 1923 and by chapter one hundred and six of the statutes of 1926-27, established and maintained a fund and with respect thereto effected contracts of life insurance, granted endowments, depending upon the contingency of human life, and generally carried on the business of life insurance in all its branches and forms, among the members of the Society, and has by its petition prayed that the said chapter ninety-one be amended by withdrawing the attributes of a fraternal benefit society from the said fund and the members thereof, and that the members of the fund be incorporated as a mutual life insurance company and that the said company be authorized to transact the business of life and disability insurance, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Members of fund *(e)* as at date of registry of new company, incorporated.

Corporate name.

1. The members of the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898 as at the date the Company hereby incorporated obtains registration under *The Canadian and British Insurance Companies Act, 1932.* are hereby incorporated as a mutual life insurance company under the name of "Ancient Foresters' Mutual Life Insurance Company", hereinafter called "the Company".

Company composed of policyholders who shall own and control its property and affairs.

2. The Company shall be composed of its policyholders, who shall own and control all its property and affairs as hereinafter provided, and each policyholder, during the continuance of his policy, shall be and is hereby constituted a member of the said Company.

Objects.

3. The objects of the said Company shall be,—

(a) to make contracts of life insurance with any person, and to grant, sell, or purchase annuities and endowments and generally to carry on the business of life insurance in all its branches and forms;

(b) to make contracts providing for the payment of disability benefits.

Present executive Council of Society to be provisional directors.

4. The provisional directors of the Company shall be the members of the Executive Council of the Society duly elected at the biennial meeting of the Society held at the city of Toronto in August, 1933, and they shall continue to act until the first general meeting of the Company, which shall be called by them within two months after the coming into force of this Act.

Present constitution to govern until new company obtains registration.

5. The said fund and its members shall be governed by the present constitution, by-laws and regulations until the Company shall have obtained registration under *The Canadian and British Insurance Companies Act, 1932.*

Meeting to be called of members, for purpose of considering and approving this Act.

6. The Executive Council of the Society shall, within five months' after the passing of this Act call a meeting of the members of the said fund at the city of Toronto for the purpose of considering and approving this Act.

Voting qualifications and directors' qualifications at first general meeting and two subsequent annual meetings.

7. At the first general meeting of the Company and at the two annual meetings held subsequent thereto,—

(a) every holder of a participating policy or policies of the said fund or of the Company for one thousand dollars or upwards, upon which no premiums are due, and upon which, premiums have been paid for at least three full years, shall be entitled to attend and vote and shall be considered a member of the Company for said purpose;

(b) every holder of a participating policy or policies of the Company for three thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, and upon which, premiums have been paid for at least three full years, shall be eligible for election as a director.

Voting qualifications and directors' qualifications thereafter, same as section six, subsection two, paragraph *(h)* of Can. and British Ins. Coys. Act 1932.

8. At the third annual meeting of the Company and at all subsequent annual or special general meetings,—

(a) every holder of a participating policy or policies of the Company for two thousand dollars or upwards, upon which no premiums are due, and upon which, premiums have been paid for at least three full years, shall be entitled to attend and vote and shall be considered a member of the Company for said purpose;

(b) every holder of a participating policy or policies of the Company for four thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, and upon which, premiums have been paid for at least three full years, shall be eligible for election as a director.

Directors.

9. (1) The property, business and affairs of the Company shall be managed by its board of directors.

Directors at first general meeting and two annual meetings thereafter.

(2) At the first general meeting of the Company, and at the first and second annual meetings held thereafter, there shall be elected not less than five, nor more than nine directors, who shall hold office for one year but shall be eligible for re-election.

Number of directors thereafter and term of office. See Can. and British Ins. Coys. Act 1932, section six, subsection two, paragraph *(e)*.

(3) The Company shall by by-law passed not less than three months prior to the holding of its third annual meeting, determine the number of directors to be elected at said annual meeting. The Company may by the said by-law provide that the directors, shall be elected for one, two or three years. If the by-law provides for a two years' or three years' term of office, it may also provide that the term of office shall be continuous for all directors, or that a certain proportion, not less than one-third shall retire annually. At the said annual meeting and each subsequent annual meeting there shall be elected a board as determined by by-law as aforesaid, but such board shall consist of not less than nine nor more than twenty-one directors, all of whom shall be eligible for re-election.

Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraphs *(b)* and *(f)*.

(4) The manager of the Company may be a director, but no agent or paid officer other than the manager, shall be eligible to be elected as a director. The words "paid officer" in this paragraph shall not include the chairman of the board of directors or the president and vice-president, or the president and first vice-president, if there is more than one vice-president elected under the provisions of paragraph six of this section. The majority of the directors elected, shall at all times be persons resident in Canada and subjects of His Majesty by birth or naturalization.

Can. and British Ins. Coys' Act, 1932, section six, subsection two, paragraph *(i)*.

(5) The election of directors shall be by ballot.

Officers. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(j)*.

(6) The directors shall from among themselves elect a president, and one vice-president or more; and may elect a chairman of the board of directors.

Quorum. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(k)*.

(7) At all meetings of directors for the transaction of business a majority of the board shall be a quorum when the number of directors does not exceed thirteen; when the number exceeds thirteen a quorum shall be seven.

Annual meetings. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(l)*.

(8) The Company shall have a fixed time in each year for its annual meeting and due notice of the annual meeting or any special general meeting of the members of the Company shall be given at least fifteen days before in two or more daily newspapers, published at or near the head office of the Company, and in the case of annual meetings the directors also shall cause such notice to be printed in prominent type on each renewal receipt issued by the Company.

Proxies. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(n)*.

(9) Every proxy representing a policyholder must be himself a policyholder and entitled to vote, and an instrument of proxy shall not be valid unless executed within three months of the date of the meeting at which it is to be used, and unless filed with the secretary of the Company, at least ten days before such meeting, and shall be used only at such meeting or any adjournment thereof, and may be revoked at any time prior to such meetings.

Vacancies and board of directors. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(o)*.

(10) Vacancies occurring in the board of directors may be filled for the remainder of the term by the directors from among the qualified members of the Company.

Failure to elect directors. Can. and British Ins. Coys. Act, 1932, section six, subsection two, paragraph *(p)*.

(11) If at any time an election of directors is not made, or does not take effect at the proper time, the Company shall not be held to be thereby dissolved, but such election may take place at any general meeting of the Company duly called for such purpose, and the retiring directors shall continue in office until their successors are elected.

Business at annual meeting.

10. At any annual meeting of the Company all business shall be transacted without the necessity for specifying such business in the notice of such meeting; and at such annual meeting a general balance sheet and statement of affairs of the Company and the report of the auditors shall be laid before the members.

Head office.

11. The head office of the Company shall be in the city of Toronto, in the province of Ontario.

All assets of fund *(e)* vested in Company, subject to mortgages or liens.

12. All assets, rights, credits, effects and property real, personal and mixed of whatsoever kind and wheresoever situate belonging to the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898, and standing in the name of the Society or to which it is or may become entitled, are hereby vested in the Company, subject to existing mortgages or liens, if any.

Rights of creditors preserved.

13. Any person having any claim, demand, right, cause of action or complaint against the Society with respect to the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898 or to whom the Society is under any liability, obligation or contract with respect to said fund, shall have the same rights, and powers with respect thereto and to the collection and enforcement thereof from and against the Company as such person has against the Society.

Subordinate courts or other funds of Society not affected.

14. Nothing in this Act shall affect the business now being administered by the subordinate courts of the Society or any funds of the Society, other than the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898.

Rights of members of fund *(e)* as against other funds of the Society not affected.

15. Notwithstanding anything contained in this Act the members of the fund referred to in paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898 shall retain any and all rights, powers and privileges they may have against the Society, in respect of the other funds of the Society.

Compensation for goodwill.

16. The Company shall within three months after the date at which it obtains registration under *The Canadian and British Insurance Companies Act, 1932*, pay to the Society the sum of twenty-five thousand dollars as compensation for goodwill.

Act to come into force on date to be specified by Supt. of Ins. on evidence satisfying him of the approval of two-thirds of members, at votes of meeting called for that purpose.

17. This Act shall come into force on a date to be specified by the Superintendent of Insurance in the notice published in the *Canada Gazette*, and such notice shall not be given until this Act has been approved by a resolution adopted by at least two-thirds of the votes of the members of said fund, present or represented by proxy at the meeting to be called by the executive council of the society for that purpose, nor until the Superintendent of Insurance has been satisfied by such evidence as he may require that such approval has been given.

Can. and British Ins. Coys. Act. to apply except where inconsistent.

18. *The Canadian and British Insurance Companies Act, 1932*, chapter forty-six of the statutes of 1932, shall apply to the Company except in so far as the said Act is inconsistent with the provisions of this Act.

Parts of society's Act of incorporation dealing with fund *(e)* and the members thereof repealed.

19. Paragraph *(e)* of section one of chapter ninety-one of the statutes of 1898, as from time to time amended, section nine of the said Act, subsection one of section ten of the said Act, as amended by section five of chapter one hundred and eight of the statutes of 1908, and subsections two and three of section ten, of said chapter ninety-one of the statutes of 1898; and sections two, three and six of chapter one hundred and eight of the statutes of 1908 are hereby repealed.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 29.

An Act respecting The Wawanesa Mutual Insurance Company.

First reading, March 6, 1934.

(PRIVATE BILL.)

Mr. KENNEDY
(Winnipeg South Centre).

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
70481 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 29.

An Act respecting The Wawanesa Mutual Insurance Company.

Preamble.

WHEREAS The Wawanesa Mutual Insurance Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section one of chapter eighty-five of the statutes of 1929, an Act to incorporate The Wawanesa Mutual Insurance Company, is repealed and the following is substituted therefor:—

Incorporation.

"**1.** Samuel H. Henderson, farmer, Robert Wallace, farmer, Charles Morley Manstone, insurance manager, George H. Stephens, farmer, all of the village of Wawanesa, and Alman Elliott, farmer, of the post office of Methven, in the province of Manitoba, together with such persons as become policyholders in the Company, on the mutual system, are incorporated under the name of "The Wawanesa Mutual Insurance Company," hereinafter called "the Company".

Corporate name.

2. Section eight of the said Act is repealed and the following is substituted therefor:—

Who may be elected a director.

"**8.** Any policyholder on the mutual system who holds a policy or policies to the amount of at least one thousand dollars who is not in default in respect of any assessment on his deposit or premium note and who has paid in cash all liabilities incurred by him to the Company shall be eligible to be elected as a director, but he shall cease to be such director if the amount of his insurance as aforesaid becomes reduced below the sum of one thousand dollars."

Explanatory Notes.

1. The only change in section one is made by inserting the words therein underlined on the opposite page.

2. Section eight is amended by inserting after the word "policyholder", in the first line thereof, the words "on the mutual system" (underlined on the opposite page), and by striking out of the third line thereof, after the words "in respect of", the words "any premium or".

3. Section nine of the said Act is repealed and the following is substituted therefor:—

Votes.

"**9.** (1) At all meetings of the Company each policyholder on the mutual system who is not in default in respect of any assessment on his premium note shall have one vote for each one thousand dollars of insurance provided in his policy."

Ceasing to hold valid policy.

"(2) Any member who ceases to hold a valid policy on the mutual system shall thereupon cease to be a member."

Date of coming into force.

4. This Act shall come into force on a date to be specified by the Superintendent of Insurance in a notice in the *Canada Gazette*, and such notice shall not be given until this Act has been approved by a resolution adopted by at least two-thirds of the votes of the members of the Company present or represented by proxy at a meeting duly called for that purpose, nor until the Superintendent of Insurance has been satisfied, by such evidence as he may require, that such approval has been given.

3. Section nine is amended by inserting after the word "policyholder", in the first line thereof, the words "on the mutual system" (underlined on the opposite page), and by striking out of the second line thereof, after the words "in respect of", the words "his cash premium or".

Subsection two of section nine (underlined on the opposite page) is new.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 29.

An Act respecting The Wawanesa Mutual Insurance Company.

AS PASSED BY THE HOUSE OF COMMONS, 27th APRIL, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
76483 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 29.

An Act respecting The Wawanesa Mutual Insurance Company.

Preamble.

WHEREAS The Wawanesa Mutual Insurance Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section one of chapter eighty-five of the statutes of 1929, an Act to incorporate The Wawanesa Mutual Insurance Company, is repealed and the following is substituted therefor:—

Incorporation.

"**1.** Samuel H. Henderson, farmer, Robert Wallace, farmer, Charles Morley Vanstone, insurance manager, George H. Stephens, farmer, all of the village of Wawanesa, and Alman Elliott, farmer, of the post office of Methven, in the province of Manitoba, together with such persons as become policyholders in the Company, on the mutual system, are incorporated under the name of "The Wawanesa Mutual Insurance Company," hereinafter called "the Company".

Corporate name.

2. Section eight of the said Act is repealed and the following is substituted therefor:—

Who may be elected a director.

"**8.** Any policyholder on the mutual system who holds a policy or policies to the amount of at least one thousand dollars who is not in default in respect of any assessment on his deposit or premium note and who has paid in cash all liabilities incurred by him to the Company shall be eligible to be elected as a director, but he shall cease to be such director if the amount of his insurance as aforesaid becomes reduced below the sum of one thousand dollars."

Explanatory Notes.

1. The only change in section one is made by inserting the words therein underlined on the opposite page.

2. Section eight is amended by inserting after the word "policyholder", in the first line thereof, the words "on the mutual system" (underlined on the opposite page), and by striking out of the third line thereof, after the words "in respect of", the words "any premium or".

3. Section nine of the said Act is repealed and the following is substituted therefor:—

Votes.

"**9.** (1) At all meetings of the Company each policyholder on the mutual system who is not in default in respect of any assessment on his premium note shall have one vote for each one thousand dollars of insurance provided in his policy."

Ceasing to hold valid policy.

"(2) Any member who ceases to hold a valid policy on the mutual system shall thereupon cease to be a member."

Date of coming into force.

4. This Act shall come into force on a date to be specified by the Superintendent of Insurance in a notice in the *Canada Gazette*, and such notice shall not be given until this Act has been approved by a resolution adopted by at least two-thirds of the votes of the members of the Company present or represented by proxy at a meeting duly called for that purpose, nor until the Superintendent of Insurance has been satisfied, by such evidence as he may require, that such approval has been given.

3. Section nine is amended by inserting after the word "policyholder", in the first line thereof, the words "on the mutual system" (underlined on the opposite page), and by striking out of the second line thereof, after the words "in respect of", the words "his cash premium or".

Subsection two of section nine (underlined on the opposite page) is new.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 30.

An Act respecting a certain patent of the American Dairy Supply Company.

First reading, March 9, 1934.

(PRIVATE BILL.)

Mr. ANDERSON
(Toronto-High Park).

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
76656 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 30.

An Act respecting a certain patent of the American Dairy Supply Company.

Preamble.

WHEREAS the American Dairy Supply Company, a corporation of the State of Maine, in the United States of America, and having its head office in the city of Washington, in the District of Columbia, United States of America, has by its petition set forth that it is the owner of a certain patent for closure discs granted to it on the third day of June, 1919, under number 190,739, which said patent became void on the third day of June, 1925, through the unintentional failure of the said American Dairy Supply Company to pay the fees payable six years from the grant of the patent pursuant to the terms of subsection three of section forty-three of *The Patent Act*, and which said patent may have become null and void through failure to commence, within the time fixed by section thirty-eight of the *Patent Act* and extended by section four of *An Act to amend the Patent Act*, and, after such commencement, continuously carry on in Canada, the manufacture of the invention patented, and whereas the said American Dairy Supply Company has by its petition prayed that it may be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada, enacts as follows:—

1923, c. 23.

R.S., 1906, c. 38. 1921, c. 44.

Extension of time for application to revive patent.

1. If the said American Dairy Supply Company, or its assignees or other legal representatives, makes, within three months after the date of the passing of this Act, an application to the Commissioner of Patents for an order restoring and reviving the patent mentioned in the preamble to this Act, notwithstanding non-payment of fees and failure to commence within the required period and thereafter continuously carry on manufacture in Canada of the invention patented, the provisions of section forty-seven

R.S., c. 150. of the *Patent Act*, chapter one hundred and fifty of the Revised Statutes of Canada, 1927, except the two years limitation of time for such application contained in said section, shall apply to such patent, and complying with those provisions, the Commissioner of Patents may make either an order restoring and reviving the said patent or an order dismissing the application.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 31.

An Act to amend the Naturalization Act.

First reading, March 12, 1934.

Mr. BROWN.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74783 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 31.

An Act to amend the Naturalization Act.

R.S., c. 138; 1931, c. 39.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Paragraph *(f)* of section two of the *Naturalization Act*, chapter one hundred and thirty-eight of the Revised Statutes of Canada, 1927, is repealed and the following is substituted therefor:—

"Disability".

"*(f)* 'disability' means the status of being a minor, a lunatic, or idiot."

Widows of aliens.

2. Subsection five of section four of the said Act is repealed.

3. Section thirteen of the said Act, as enacted by section one of chapter thirty-nine of the statutes of 1931, is repealed and the following is substituted therefor:—

National status of married women.

"**13.** (1) The wife of a British subject shall be deemed to be a British subject.

Wife's consent required to affect change of nationality.

(2) Where a woman who is a British subject marries an alien she shall not by reason only of her marriage acquire the nationality of her husband, nor shall her marriage involve any change in her nationality except by her own free, voluntary and formal consent and action.

Acquisition of nationality by alien woman.

(3) Where a spinster alien or the wife of an alien desires to become a British subject, she may do so under the same provisions and regulations as are required in the case of a man who is an alien."

Explanatory Notes.

The object of these amendments is to provide that women shall retain their nationality independent of men. A British woman would remain a British subject after marriage and her nationality would not be affected by her marriage. It would only be by her own consent and action rather than passive resistance that any change could be made in her nationality. If she did not take that action she would remain a British subject regardless of the nationality of her husband. A woman who is a British subject and marries an alien or non-British subject would have the right of exercising her own option in regard to her national status, and until she did exercise that option she would retain the nationality she had before her marriage.

1. The existing paragraph reads as follows:—

"*(f)* 'disability' means the status of being a married woman, or a minor, lunatic, or idiot;"

2. The existing subsection reads as follows:—

"(5) In the case of a woman who was a British subject previously to her marriage to an alien and whose husband has died, or whose marriage has been dissolved, the requirements of this section as to residence shall not apply, and the Minister may, in any other special case, if he thinks fit, grant a certificate of naturalization, although the four years' residence or five years' service has not been within the last eight years before the application."

3. The existing section thirteen reads as follows:—

"**13.** (1) The wife of a British subject shall be deemed to be a British subject, and the wife of an alien shall be deemed to be an alien, except as in this section otherwise provided.

(2) Where a woman who is a British subject marries an alien she shall not by reason only of her marriage cease to be a British subject unless by reason of her marriage she acquires the nationality of her husband. (New.)

(3) Where a man, during the continuance of his marriage, ceases to be a British subject, his wife shall not cease to be a British subject unless by reason of the acquisition by her husband of a new nationality she also acquires that nationality.

(4) Where notwithstanding the provisions of the last foregoing subsection a married woman would cease to be a British subject, it shall nevertheless be lawful for her within six months after the date at which she would cease to be a British subject, or in special circumstances with the consent of the Minister within any longer period than six months, to make a declaration that she desires to retain British nationality, and thereupon she shall be deemed to have remained a British subject.

(5) Where a certificate of naturalization is granted to an alien his wife, if not already a British subject, shall not be deemed to be a British subject unless within six months after the date of that certificate, or in special circumstances with the consent of the Minister within any longer period than six months, she makes a declaration that she desires to acquire British nationality and upon the making of such declaration she shall be deemed to be a British subject. (New.)

(6) Where an alien is a subject of a State at War with His Majesty it shall be lawful for his wife, if she was at birth a British subject, to make a declaration that she desires to resume British nationality, and thereupon the Minister, if he is satisfied that it is desirable that she be permitted to do so, may grant her a certificate of naturalization."

32.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 32.

An Act to amend the Technical Education Act

First reading, March 12, 1934.

THE MINISTER OF LABOUR.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
73949 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 32.

An Act to amend the Technical Education Act.

R.S., c. 193; 1929, c. 8.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Short title.

1. This Act may be cited as *The Technical Education Extension Act, 1934.*

2. Section eight of the *Technical Education Act*, chapter one hundred and ninety-three of the Revised Statutes of Canada, 1927, as enacted by section two of chapter eight of the statutes of 1929, is repealed, and the following is substituted therefor:—

Disposition of unexpended balance.

"**8.** Any portion of the ten million dollars appropriated under this Act which may remain unexpended at the expiration of the fiscal year ending the thirty-first day of March, one thousand nine hundred and thirty-four, whether previously carried forward or not, shall be carried forward and remain available according to its apportionment for the purposes of this Act during any one or more of the five succeeding fiscal years, and no portion of the said ten million dollars shall be paid to any province after the thirty-first day of March, one thousand nine hundred and thirty-nine."

EXPLANATORY NOTE.

The section to be repealed and re-enacted reads as follows:

"**8.** Any portion of the ten million dollars appropriated under this Act which may remain unexpended at the expiration of the fiscal year ending the thirty-first day of March, one thousand nine hundred and *twenty-nine*, whether previously carried forward or not, shall be carried forward and remain available according to its apportionment for the purposes of this Act during any one or more of the five succeeding fiscal years, and no portion of the said ten million dollars shall be paid to any province after the thirty-first day of March, one thousand nine hundred and *thirty-four*."

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 32.

An Act to amend the Technical Education Act.

AS PASSED BY THE HOUSE OF COMMONS,
15th MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
73951 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 32.

An Act to amend the Technical Education Act.

R.S., c. 193; 1929, c. 8.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Short title.

1. This Act may be cited as *The Technical Education Extension Act, 1934.*

2. Section eight of the *Technical Education Act*, chapter one hundred and ninety-three of the Revised Statutes of Canada, 1927, as enacted by section two of chapter eight of the statutes of 1929, is repealed, and the following is substituted therefor:—

Disposition of unexpended balance.

"**8.** Any portion of the ten million dollars appropriated under this Act which may remain unexpended at the expiration of the fiscal year ending the thirty-first day of March, one thousand nine hundred and thirty-four, whether previously carried forward or not, shall be carried forward and remain available according to its apportionment for the purposes of this Act during any one or more of the five succeeding fiscal years, and no portion of the said ten million dollars shall be paid to any province after the thirty-first day of March, one thousand nine hundred and thirty-nine."

Explanatory Note.

The section to be repealed and re-enacted reads as follows:

"**8.** Any portion of the ten million dollars appropriated under this Act which may remain unexpended at the expiration of the fiscal year ending the thirty-first day of March, one thousand nine hundred and *twenty-nine*, whether previously carried forward or not, shall be carried forward and remain available according to its apportionment for the purposes of this Act during any one or more of the five succeeding fiscal years, and no portion of the said ten million dollars shall be paid to any province after the thirty-first day of March, one thousand nine hundred and *thirty-four*."

33.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 33.

An Act to amend the Quebec Savings Banks Act.

First reading, March 13, 1934.

THE MINISTER OF FINANCE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
73944 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 33.

An Act to amend the Quebec Savings Banks Act.

R.S., c. 14; 1932, 33, c. 28.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Certain charters continued.

1. The charters of the Montreal City and District Savings Banks and of *La Caisse d'Economie de Notre-Dame de Quebec*, which expire on the first day of July, one thousand nine hundred and thirty-four by virtue of the operation of section four of the *Quebec Savings Banks Act*, chapter fourteen of the Revised Statutes of Canada, 1927, and of chapter twenty-eight of the statutes of 1932-33, are hereby continued and shall remain in force until the first day of July, one thousand nine hundred and forty-four, except in so far as they, or either of them are or become forfeited or void under the terms thereof, or of the said chapter fourteen, or of any other Act heretofore or hereafter passed relating to the said savings banks by non-performance of the conditions of such charters or Acts respectively, or by insolvency, or otherwise.

Explanatory Note.

By section 4 of the Quebec Savings Banks Act, R.S., 1927, chapter 14, the charters of the Banks referred to in this Bill were continued in force to the 1st July, 1933, and the time was extended for one year by chapter 28 of the statutes of 1932-33.

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 33.

An Act to amend the Quebec Savings Banks Act.

Reprinted as Amended and Reported by the Select Standing Committee on Banking and Commerce.

THE MINISTER OF FINANCE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
81428 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 33.

An Act to amend the Quebec Savings Banks Act.

R.S., c. 14; 1932-33, c. 28.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Certain charters continued.

1. The charters of the Montreal City and District Savings Banks and of *La Caisse d'Economie de Notre-Dame de Québec*, which expire on the first day of July, one thousand nine hundred and thirty-four by virtue of the operation of section four of the *Quebec Savings Banks Act*, chapter fourteen of the Revised Statutes of Canada, 1927, and of chapter twenty-eight of the statutes of 1932-33, are hereby continued and shall remain in force until the first day of July, one thousand nine hundred and forty-four, except in so far as they, or either of them are or become forfeited or void under the terms thereof, or of the said chapter fourteen, or of any other Act heretofore or hereafter passed relating to the said savings banks by non-performance of the conditions of such charters or Acts respectively, or by insolvency, or otherwise.

2. Section five of the said Act is amended by adding thereto the following subsection:—

Public notice, how given.

"(2) When by this Act a notice is required to be published in a newspaper for four weeks or any longer period, publication each week in a weekly newspaper, or once a week during the period in a newspaper published more frequently, shall be a sufficient publication for the purposes of this Act."

3. Section thirty-two of the said Act is repealed and the following is substituted therefor:—

Deposits by persons under disability.

"**32.** The bank may receive deposits from any person whatever, and whether such person is qualified by law to enter into ordinary contracts or not; and the bank may from time to time pay any or all of the principal thereof,

Explanatory Notes.

[In this Reprint sections 2 to 13 are added to the Bill as introduced. Changes made in the respective sections of the Quebec Savings Banks Act are shown by the underlined words in the text of the Bill. New subsections or sections are indicated by vertical lines at the side thereof.]

1. By section 4 of the Quebec Savings Banks Act, R.S., 1927, chapter 14, the charters of the Banks referred to in this Bill were continued in force to the 1st July, 1933, and the time was extended for one year by chapter 28 of the statutes of 1932-33.

2. As section five stands at present it would imply daily publication, whereas publication once a week during the period mentioned would suffice and be in conformity with similar provisions in the Bank Act.

3. This amendment, if adopted, will conform to similar amendments in section 95 of the Bank Act.

The section to be repealed reads as follows:—

"**32.** The bank may receive deposits from any person whatever, and whether such person is qualified by law to enter into ordinary contracts or not; and the bank may pay the principal or any part thereof, and the whole or any part of the interest thereon, to such person, without the authority, aid, assistance or intervention of any person or official being required: Provided that, if the person making any deposit in the bank is not, by the laws of the province of Quebec, authorized so to do, the total amount of deposits made by such person shall not exceed the sum of two thousand dollars."

and any or all of the interest thereon, to or to the order of such person, unless before such payment the money so deposited in the bank is lawfully claimed as the property of some other person."

4. Section thirty-three of the said Act is amended by adding thereto the following subsection:—

Garnishee order affects only branch served.

"(2) An attaching or garnishee order or summons shall only affect and bind moneys to the credit of the debtor at the branch, agency or office of the bank where such order or summons or notice thereof is served.

5. Paragraph *(b)* of section thirty-four of the said Act is repealed and the following is substituted therefor: —

Investments.

"*(b)* in deposits in chartered banks in Canada or in the Bank of Canada".

6. Section forty-seven of the said Act is repealed and the following is substituted therefor:—

Deposits in banks or Bank of Canada.

"**47.** Nothing herein shall prevent the bank from depositing money in any of the chartered banks carrying on the general business of banking within the Province of Quebec or in the Bank of Canada."

7. Section forty-nine of the said Act is repealed and the following is substituted therefor:—

Examination by Inspector General of Banks.

"**49.** (1) The Inspector General of Banks from time to time but not less frequently than once in each calendar year, shall make or cause to be made an examination and inquiry into the affairs or business of the bank and report thereon to the Minister, and for such purposes the Inspector General of Banks shall have, exercise and perform all the rights, powers and duties given to him under the provisions of the Bank Act.

Salaries and expenses paid out of Consolidated Revenue Fund, and recouped by assessment on banks.

(2) Provided an appropriation therefor has been made by Parliament, the salaries, remuneration and other expenses incidental to such inquiries or examinations shall be paid out of the Consolidated Revenue Fund, and the Consolidated Revenue Fund shall be recouped for such outlay by an assessment upon the banks made in the same manner as is provided for similar outlays in respect of the examinations of chartered banks by the Inspector General of Banks under the provisions of the Bank Act.

8. Subsection two of section fifty-five of the said Act is repealed and the following are substituted therefor:—

Receipt where deposit subject to trust.

"(2) If any deposit made under the authority of this Act is subject to a trust of which the bank has notice, the receipt or cheque of the person in whose name any such deposit stands, or, if it stands in the names of two

4. A subsection similar to the above was added to section 96 of the Bank Act in 1923 and remains incorporated in the provisions of the revised Act. It is but natural that the Quebec Savings Banks Act should contain a similar provision inasmuch as both institutions operating thereunder conduct respectively 23 and 13 branch offices.

5. In view of the proposed establishment of the Bank of Canada it is natural to provide that deposits may be maintained therein as well as in the chartered banks. The underlined words are added to the paragraph.

6. This amendment is proposed for the same reason as the amendment to section 34. The underlined words are added to the section.

7. It is proposed by this amendment to make the banks incorporated under this Act subject to the same examination as the chartered banks under section 56 of the Bank Act.

The section to be repealed reads as follows:—

"**49.** The Minister may direct and require any auditor appointed under the next preceding section of this Act, or any other auditor whom he may select, to examine and inquire specially into any of the affairs or business of the bank and the auditor so appointed or selected, as the case may be, shall, at the conclusion of his examination and inquiry, report fully to the Minister the results thereof.

(2) For the purposes of this section the auditor appointed or selected as aforesaid shall have all the rights and powers given to an auditor under the next preceding section.

(3) For the performance of the duties imposed by this section, the auditor shall be paid as remuneration, out of the Consolidated Revenue Fund, such sum as the Governor in Council may direct."

8. These amendments are similar to amendments made to section 96 of the Bank Act.

The subsection to be repealed reads as follows:—

"(2) The receipt of the person in whose name any such deposit or share stands in the books of the bank, or if it stands in the names of more persons than one, the receipt of one of the persons, shall be a sufficient discharge to the bank for such deposit or share, or interest or dividend thereon, or for any other sum of money payable in respect of such deposit or share, unless express notice to the contrary has been given to the bank."

or more than two persons, the receipt or cheque of all such persons, or of such of them as under the document creating the trust may be entitled to receive such deposit, shall, notwithstanding any trust to which such deposit is then subject, be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit, and the bank shall not be bound to see to the application of any money paid upon such receipt or cheque.

Receipt of one of two depositors or of majority.

(3) Except only in the case of a lawful claim by some other person before repayment, the receipt or cheque of the person in whose name any deposit stands, or, if it stands in the name of two persons, the receipt or cheque of one, or if it stands in the names of more than two persons the receipt or cheque of a majority of such persons, shall be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit."

9. Section fifty-eight of the said Act is repealed and the following is substituted therefor:—

Annual return of shareholders.

"**58.** The bank shall within twenty days after the close of each calendar year transmit or deliver to the Minister, to be laid before Parliament, a return of shareholders as at the end of such calendar year showing the names, occupations and residences of such shareholders and the number of shares then respectively held by them, together with the amount, if any, remaining to be paid thereon."

10. Subsection one of section fifty-nine of the said Act is repealed and the following is substituted therefor:—

Annual return of unpaid dividends.

"**59.** (1) The bank shall, within twenty days after the close of each calendar year, transmit or deliver to the Minister, to be laid by him before Parliament, a return as at the end of such calendar year of all dividends which have remained unpaid for more than five years, and also of all amounts or balances in respect of which no transactions have taken place or upon which no interest has been paid during the five years prior to the date of such return.

11. Subsection three of section sixty-seven of the said Act is repealed and the following is substituted therefor:—

Certain auditors to be deemed officers of bank.

"(3) Any person appointed or selected by the Minister under section forty-eight of this Act shall be deemed to be an officer of the bank within the meaning of this section."

9. The purpose of this amendment is to provide specifically that such returns be made at the close of the calendar year, as is the case under the Bank Act.

The section to be repealed reads as follows:—

"**58.** The bank shall furnish, annually, to the Minister, to be laid before Parliament, certified lists of the shareholders, with their occupations and residences, and the number of shares they respectively hold and the amounts paid up thereon."

10. This amendment is for the same purpose as the amendment to section 58. The only change is the insertion of the words underlined.

11. The subsection as it now stands applies to persons appointed or selected by the Minister "to examine or inquire specially into any of the affairs or business of the bank." The provision for special examinations or inquiries is, however, being eliminated by the repeal of section 49 and the substitution therefor of a new section providing for regular examinations by the Inspector General of Banks.

12. Section sixty-nine of the said Act is repealed and the following is substituted therefor:—

Payment of bank's liabilities by officer after suspension of bank.

"**69.** If the bank suspends payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, then, so long as such suspension continues, any director, officer, clerk, servant or agent of the bank who, having knowledge of such suspension, pays or causes to be paid to any person any debt or liability of the bank, unless with the consent of a curator or liquidator duly appointed, is guilty of an offence and liable, upon conviction on indictment, to two years' imprisonment or to a fine not exceeding two thousand dollars, or to both, and, upon summary conviction, to imprisonment for six months with or without hard labour or to a fine not exceeding one hundred dollars, or to both."

Penalty.

Schedule E amended.

13. Schedule E of the said Act is amended by adding to item two of assets therein the words "or in the Bank of Canada."

12. This amendment is consequent upon the proposed establishment of the Bank of Canada. The only change is the insertion of the words underlined.

13. This amendment is consequent upon the establishment of the Bank of Canada and the amendments proposed to sections 34 and 47 of this Act.

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 33.

An Act to amend the Quebec Savings Banks Act.

AS PASSED BY THE HOUSE OF COMMONS, 11th JUNE, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
73946 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 33.

An Act to amend the Quebec Savings Banks Act.

R.S., c. 14; 1932-33, c. 28.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Certain charters continued.

1. The charters of the Montreal City and District Savings Banks and of *La Caisse d'Economie de Notre-Dame de Québec*, which expire on the first day of July, one thousand nine hundred and thirty-four by virtue of the operation of section four of the *Quebec Savings Banks Act*, chapter fourteen of the Revised Statutes of Canada, 1927, and of chapter twenty-eight of the statutes of 1932-33, are hereby continued and shall remain in force until the first day of July, one thousand nine hundred and forty-four, except in so far as they, or either of them are or become forfeited or void under the terms thereof, or of the said chapter fourteen, or of any other Act heretofore or hereafter passed relating to the said savings banks by non-performance of the conditions of such charters or Acts respectively, or by insolvency, or otherwise.

2. Section five of the said Act is amended by adding thereto the following subsection:—

Public notice, how given.

"(2) When by this Act a notice is required to be published in a newspaper for four weeks or any longer period, publication each week in a weekly newspaper, or once a week during the period in a newspaper published more frequently, shall be a sufficient publication for the purposes of this Act."

3. Section thirty-two of the said Act is repealed and the following is substituted therefor:—

Deposits by persons under disability.

"**32.** The bank may receive deposits from any person whatever, and whether such person is qualified by law to enter into ordinary contracts or not; and the bank may from time to time pay any or all of the principal thereof,

Explanatory Notes.

[In this Bill sections 2 to 13 are added to the Bill as introduced. Changes made in the respective sections of the Quebec Savings Banks Act are shown by the underlined words in the text of the Bill. New subsections or sections are indicated by vertical lines at the side thereof.]

1. By section 4 of the Quebec Savings Banks Act, R.S., 1927, chapter 14, the charters of the Banks referred to in this Bill were continued in force to the 1st July, 1933, and the time was extended for one year by chapter 28 of the statutes of 1932-33.

2. As section five stands at present it would imply daily publication, whereas publication once a week during the period mentioned would suffice and be in conformity with similar provisions in the Bank Act.

3. This amendment, if adopted, will conform to similar amendments in section 95 of the Bank Act.

The section to be repealed reads as follows:—

"**32.** The bank may receive deposits from any person whatever, and whether such person is qualified by law to enter into ordinary contracts or not; and the bank may pay the principal or any part thereof, and the whole or any part of the interest thereon, to such person, without the authority, aid, assistance or intervention of any person or official being required: Provided that, if the person making any deposit in the bank is not, by the laws of the province of Quebec, authorized so to do, the total amount of deposits made by such person shall not exceed the sum of two thousand dollars."

and any or all of the interest thereon, to or to the order of such person, unless before such payment the money so deposited in the bank is lawfully claimed as the property of some other person."

4. Section thirty-three of the said Act is amended by adding thereto the following subsection:—

Garnishee order affects only branch served.

"(2) An attaching or garnishee order or summons shall only affect and bind moneys to the credit of the debtor at the branch, agency or office of the bank where such order or summons or notice thereof is served.

5. Paragraph *(b)* of section thirty-four of the said Act is repealed and the following is substituted therefor: –

Investments.

"*(b)* in deposits in chartered banks in Canada or in the Bank of Canada; or"

6. Section forty-seven of the said Act is repealed and the following is substituted therefor:—

Deposits in banks or Bank of Canada.

"**47.** Nothing herein shall prevent the bank from depositing money in any of the chartered banks carrying on the general business of banking within the Province of Quebec or in the Bank of Canada."

7. Section forty-nine of the said Act is repealed and the following is substituted therefor:—

Examination by Inspector General of Banks.

"**49.** (1) The Inspector General of Banks from time to time but not less frequently than once in each calendar year, shall make or cause to be made an examination and inquiry into the affairs or business of the bank and report thereon to the Minister, and for such purposes the Inspector General of Banks shall have, exercise and perform all the rights, powers and duties given to him under the provisions of the Bank Act.

Salaries and expenses paid out of Consolidated Revenue Fund, and recouped by assessment on banks.

(2) Provided an appropriation therefor has been made by Parliament, the salaries, remuneration and other expenses incidental to such inquiries or examinations shall be paid out of the Consolidated Revenue Fund, and the Consolidated Revenue Fund shall be recouped for such outlay by an assessment upon the banks made in the same manner as is provided for similar outlays in respect of the examinations of chartered banks by the Inspector General of Banks under the provisions of the Bank Act.

8. Subsection two of section fifty-five of the said Act is repealed and the following are substituted therefor:—

Receipt where deposit subject to trust.

"(2) If any deposit made under the authority of this Act is subject to a trust of which the bank has notice, the receipt or cheque of the person in whose name any such deposit stands, or, if it stands in the names of two

4. A subsection similar to the above was added to section 96 of the Bank Act in 1923 and remains incorporated in the provisions of the revised Act. It is but natural that the Quebec Savings Banks Act should contain a similar provision inasmuch as both institutions operating thereunder conduct respectively 23 and 13 branch offices in addition to their principal office.

5. In view of the proposed establishment of the Bank of Canada it is natural to provide that deposits may be maintained therein as well as in the chartered banks. The underlined words are added to the paragraph.

6. This amendment is proposed for the same reason as the amendment to section 34. The underlined words are added to the section.

7. It is proposed by this amendment to make the banks incorporated under this Act subject to the same examination as the chartered banks under section 56 of the Bank Act.

The section to be repealed reads as follows:—

"**49.** The Minister may direct and require any auditor appointed under the next preceding section of this Act, or any other auditor whom he may select, to examine and inquire specially into any of the affairs or business of the bank and the auditor so appointed or selected, as the case may be, shall, at the conclusion of his examination and inquiry, report fully to the Minister the results thereof.

(2) For the purposes of this section the auditor appointed or selected as aforesaid shall have all the rights and powers given to an auditor under the next preceding section.

(3) For the performance of the duties imposed by this section, the auditor shall be paid as remuneration, out of the Consolidated Revenue Fund, such sum as the Governor in Council may direct."

8. These amendments are similar to amendments made to section 96 of the Bank Act.

The subsection to be repealed reads as follows:—

"(2) The receipt of the person in whose name any such deposit or share stands in the books of the bank, or if it stands in the names of more persons than one, the receipt of one of the persons, shall be a sufficient discharge to the bank for such deposit or share, or interest or dividend thereon, or for any other sum of money payable in respect of such deposit or share, unless express notice to the contrary has been given to the bank."

or more than two persons, the receipt or cheque of all such persons, or of such of them as under the document creating the trust may be entitled to receive such deposit, shall, notwithstanding any trust to which such deposit is then subject, be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit, and the bank shall not be bound to see to the application of any money paid upon such receipt or cheque.

Receipt of one of two depositors or of majority.

(3) Except only in the case of a lawful claim by some other person before repayment, the receipt or cheque of the person in whose name any deposit stands, or, if it stands in the name of two persons, the receipt or cheque of one, or if it stands in the names of more than two persons the receipt or cheque of a majority of such persons, shall be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit."

9. Section fifty-eight of the said Act is repealed and the following is substituted therefor:—

Annual return of shareholders.

"**58.** The bank shall within twenty days after the close of each calendar year transmit or deliver to the Minister, to be laid before Parliament, a return of shareholders as at the end of such calendar year showing the names, occupations and residences of such shareholders and the number of shares then respectively held by them, together with the amount, if any, remaining to be paid thereon."

10. Subsection one of section fifty-nine of the said Act is repealed and the following is substituted therefor:—

Annual return of unpaid dividends.

"**59.** (1) The bank shall, within twenty days after the close of each calendar year, transmit or deliver to the Minister, to be laid by him before Parliament, a return as at the end of such calendar year of all dividends which have remained unpaid for more than five years, and also of all amounts or balances in respect of which no transactions have taken place or upon which no interest has been paid during the five years prior to the date of such return.

11. Subsection three of section sixty-seven of the said Act is repealed and the following is substituted therefor:—

Certain auditors to be deemed officers of bank.

"(3) Any person appointed or selected by the Minister under section forty-eight of this Act shall be deemed to be an officer of the bank within the meaning of this section."

9. The purpose of this amendment is to provide specifically that such returns be made at the close of the calendar year, as is the case under the Bank Act.

The section to be repealed reads as follows:—

"**58.** The bank shall furnish, annually, to the Minister, to be laid before Parliament, certified lists of the shareholders, with their occupations and residences, and the number of shares they respectively hold and the amounts paid up thereon."

10. This amendment is for the same purpose as the amendment to section 58. The only change is the insertion of the words underlined.

11. The subsection as it now stands applies to persons appointed or selected by the Minister "to examine or inquire specially into any of the affairs or business of the bank." The provision for special examinations or inquiries is, however, being eliminated by the repeal of section 49 and the substitution therefor of a new section providing for regular examinations by the Inspector General of Banks.

12. Section sixty-nine of the said Act is repealed and the following is substituted therefor:—

Payment of bank's liabilities by officer after suspension of bank.

"**69.** If the bank suspends payment in specie or Dominion or Bank of Canada notes of any of its liabilities as they accrue, then, so long as such suspension continues, any director, officer, clerk, servant or agent of the bank who, having knowledge of such suspension, pays or causes to be paid to any person any debt or liability of the bank, unless with the consent of a curator or liquidator duly appointed, is guilty of an offence and liable, upon conviction on indictment, to two years' imprisonment or to a fine not exceeding two thousand dollars, or to both, and, upon summary conviction, to imprisonment for six months with or without hard labour or to a fine not exceeding one hundred dollars, or to both."

Penalty.

Schedule amended.

13. The schedule to the said Act is amended by adding to item two of assets therein the words "or in the Bank of Canada."

12. This amendment is consequent upon the proposed establishment of the Bank of Canada. The only change is the insertion of the words underlined.

13. This amendment is consequent upon the establishment of the Bank of Canada and the amendments proposed to sections 34 and 47 of this Act.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 34.

An Act to amend the Oaths of Allegiance Act.

First reading, March 13, 1934.

Mr. LAPOINTE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
76635 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA

BILL 34.

An Act to amend the Oaths of Allegiance Act.

R.S., c. 143.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Oath prescribed.

1. The second paragraph of section two of the *Oaths of Allegiance Act*, chapter one hundred and forty-three of the Revised Statutes of Canada, 1927, is repealed and the following is substituted therefor:—

Form.

"I, A. B., do sincerely promise and swear that I will be faithful and bear true allegiance to His Majesty, King George V *(or reigning sovereign for the time being)*, as lawful Sovereign of the Kingdom of Great Britain, Ireland and of the British Dominions beyond the seas, and of this Dominion of Canada, and that I will defend Him to the utmost of my power against all traitorous conspiracies or attempts whatsoever, which shall be made against His person, crown and dignity, and that I will do my utmost endeavour to disclose and make known to His Majesty, His heirs or successors, all treasons or traitorous conspiracies and attempts which I shall know to be against Him or any of them; and all this I do swear without any equivocation, mental evasion or secret reservation. So help me God."

Explanatory Note.

1. The first paragraph of section two of the Oaths of Allegiance Act reads as follows:—

"**2** Every person in Canada, who, either of his own accord, or in compliance with any lawful requirement made of him, or in obedience to the directions of any Act or law in force in Canada, save and except the *British North America Act 1867*, desires to take an oath of allegiance, shall have administered to him and take the oath in the following form, and no other:—"

The underlined word "Dominions" in the fifth line of the new paragraph is substituted for the word "possessions" so that the form of the oath should be in accordance with the new title of His Majesty as recommended by the Imperial Conference of 1926.

Furthermore, the word "Dominions" has been substituted for the word "possessions" in the Royal Title since 1901 by the Royal Titles Act of that year.

The only other change in the paragraph to be repealed and re-enacted (being the oath prescribed) consists in striking out the words "dependent on and belonging to the said Kingdom" in the sixth and seventh lines of the said paragraph after the words "this Dominion of Canada" in the sixth line.

The United Kingdom and the Dominions being "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any respect of their domestic or external affairs", the reason for this amendment is obvious.

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 35.

An Act to amend the Criminal Code.
(Race meetings.)

First reading, March 14, 1934.

Mr. MORAND.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
76733 1934

5th Session, 17th Parliament, 24-25 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 35.

An Act to amend the Criminal Code.

(Race Meetings.)

R.S., c. 36.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Race meetings.

1. The first two provisos of subsection two of section two hundred and thirty-five of the *Criminal Code*, chapter thirty-six of the Revised Statutes of Canada, 1927, (beginning at line twenty and ending at line twenty-nine of the said subsection) are repealed and the following are substituted therefor:—

"Provided that as to race-meetings at which there are running races no such race-meeting continues for more than fourteen days of continuous racing on days on which such racing may be lawfully carried on, and that there be not more than seven races on any such day; and provided that no such association holds, and that on any one race-track there be not held, in any one calendar year more than two race-meetings of seven days each at which there are running races and that there is an interval of at least twenty days between meetings."

Explanatory Notes.

The object of this Bill is to give racing associations the optional right to hold one race meeting of fourteen days or two race meetings of seven days each in any calendar year.

The underlined word "fourteen" on the opposite page is substituted for the word "seven." The second proviso is amended by inserting therein the words "of seven days each" underlined on the opposite page.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 35.

An Act to amend the Criminal Code.
(Race meetings.)

AS PASSED BY THE HOUSE OF COMMONS,
23rd MARCH, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
76735 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 35.

An Act to amend the Criminal Code.
(Race Meetings.)

R.S., c. 36.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Race meetings.

1. The first two provisos of subsection two of section two hundred and thirty-five of the *Criminal Code*, chapter thirty-six of the Revised Statutes of Canada, 1927, (beginning at line twenty and ending at line twenty-nine of the said subsection) are repealed and the following are substituted therefor:—

"Provided that as to race-meetings at which there are running races no such race-meeting continues for more than fourteen days of continuous racing on days on which such racing may be lawfully carried on, and that there be not more than seven races on any such day; and provided that no such association holds, and that on any one race-track there be not held, in any one calendar year more than two race-meetings of seven days each at which there are running races and that there is an interval of at least twenty days between meetings."

Explanatory Notes.

The object of this Bill is to give racing associations the optional right to hold one race meeting of fourteen days or two race meetings of seven days each in any calendar year.

The underlined word "fourteen" on the opposite page is substituted for the word "seven." The second proviso is amended by inserting therein the words "of seven days each" underlined on the opposite page.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 36.

An Act respecting British Columbia Telephone Company.

First reading, March 16, 1934.

(PRIVATE BILL.)

Mr. FRASER
(Cariboo).

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
77038 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 36.

An Act respecting British Columbia Telephone Company.

Preamble.
1916, c. 66.

WHEREAS British Columbia Telephone Company has by its petition represented that it was duly incorporated by Act of the Parliament of Canada, chapter sixty-six of the statutes of 1916 under the name of "Western Canada Telephone Company" and has prayed that the said chapter sixty-six be amended so that it may be empowered to increase its capital stock, and for other purposes, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Subsection two of section five of chapter sixty-six of the statutes of Canada, 1916, is repealed and the following is substituted therefor:—

Rights of holders of preference shares.

"(2) Notwithstanding anything contained in this Act the holders of preference or preferred shares shall have the right to vote at any general or special meeting of the Company but only as follows, that is to say:—

(a) On any question all preference and preferred shares of the company outstanding at any time taken together shall have votes amounting to one-fourth of the total number of the votes to which ordinary shares then outstanding are entitled and each preference or preferred share shall have such vote or fraction of a vote as results from dividing one-fourth of the total number of the votes to which ordinary shares then outstanding are entitled by the total number of the preference and preferred shares then outstanding; where for any purpose under this Act any consent, vote, representation or requisition of holders of the ordinary shares or of any specified amount or percentage in votes or value of the ordinary shares is permitted or required 'ordinary shares' shall be deemed to include preference or preferred shares and holders of any specified amount

Explanatory Notes.

By section 15 of the Act of 1916, the Western Canada Telephone Company was authorized to change its name to the British Columbia Telephone Company, subject to the approval of the Secretary of State of Canada.

1. Subsection two of section five of the Act reads at present as follows:—

"(2) Holders of preference shares shall not have any right of voting at meetings of the Company except the right to attend and vote at general meetings on any question directly affecting any of the rights or privileges attached to such shares, and then there shall be one vote per share, but no change in the rights or privileges shall be made unless the holders of seventy-five per cent of the preference shares agree to same, and such shares shall not qualify any person to be a director of the company."

or percentage in votes or value of the ordinary shares shall be deemed to mean shareholders entitled to the same amount or percentage of the total votes (not value) cast (or entitled to be cast as the case may be) by holders of ordinary shares and holders of preference and holders of preferred shares voting in the manner and to the extent provided under this paragraph *(a)*: Provided, however, that at all elections of directors of the company each shareholder entitled to vote thereat shall be entitled to as many votes as shall equal the number of votes to which he is entitled under this Act and the *Companies Act* or the by-laws of the company in respect of ordinary shares and/or preference or preferred shares held by him multiplied by the number of directors to be elected and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two or more of them as he shall see fit, which right when exercised shall be termed 'cumulative voting.'

R.S., 1927, c. 27.

(b) On any question directly affecting any of the rights or privileges attached to any class of preference or preferred shares holders of preference or preferred shares of such class shall have one vote per share but no change in the rights or privileges attached to any class of preference or preferred shares shall be made unless the holders of seventy-five per cent of the preference or preferred shares of such class, voting separately as a class, shall agree to the same. Ownership of ordinary or preference or preferred shares shall qualify any person to be a director of the company."

2. Section six of the said Act is repealed and the following is substituted therefor:—

Increase of capital stock.

"**6.** The capital stock of the company may be increased from time to time by such amounts as the directors consider requisite for the due carrying out of the objects of the company, such increase to be effected by resolution of the directors by and with the consent of a majority of two-thirds in value of the ordinary shareholders present or represented by proxy at any annual general or at any special general meeting of the ordinary shareholders called for that purpose: Provided that the total capital stock of the company including the present authorized stock shall not exceed twenty-five million dollars."

3. Section thirteen of the said Act is repealed and the following is substituted therefor:—

Board of directors.

"**13.** The affairs of the company shall be managed by a board of not less than five directors. A majority of the board shall be a quorum."

2. Section six of the Act reads at present as follows:—

"**6.** After ninety per cent of the capital stock has been issued and fifty per cent paid thereon the capital stock of the Company may be increased from time to time by such amounts as the shareholders deem necessary for the proper extension of the undertaking of the Company, such increase to be effected by resolution of the directors by and with the consent of a majority of two-thirds in value of the ordinary shareholders present or represented by proxy at any annual general or at any special general meeting of the ordinary shareholders called for that purpose: Provided that the total capital of the Company including the present authorized stock shall not exceed ten million dollars."

3. Section thirteen of the Act reads at present as follows:

"**13.** The number of the directors shall be not less than three nor more than nine, one or more of whom may be paid directors and a majority of whom shall be a quorum."

4. Paragraph *(i)* of the first subsection of section sixteen of the said chapter sixty-six of the statutes of Canada, 1916, is repealed and the following is substituted therefor:—

Investments.

"*(i)* invest and deal with any of the moneys (including moneys held by the company to the credit of any of its reserves) of the company not immediately required for the purposes thereof, upon such securities as trustees may under the laws of the province of British Columbia invest in and/or such securities as life insurance companies may invest in under *The Canadian and British Insurance Companies Act, 1932*, in such manner as the directors may think fit, and from time to time vary or realize such investments; and, by way of addition and without in any way limiting the generality of the foregoing:—

1932, c. 46.

(i) subscribe for, take, or otherwise acquire and hold shares and securities of any other company which furnishes facilities for electrical transmission either by wire or otherwise of communications or intelligence by sound or signal or otherwise and all or substantially all of whose property or business is located in the province of British Columbia in such manner as the directors may think fit and from time to time vary or realize such investments;

(ii) out of the moneys derived from the new or additional capital to be provided under section six of this Act or from new loan capital to be hereafter raised subscribed for, take, or otherwise acquire and hold shares and securities of any other company all or substantially all of whose property or business is located in Canada or Newfoundland or of any other company organized under the law of Canada or of any province thereof, owning or controlling companies having all or substantially all of their property and business in Canada or Newfoundland and which such other company or companies have objects altogether or in part similar to those of the company and to sell or otherwise dispose of or turn to account any such shares or securities provided however that the total amount so invested outside British Columbia in Canada and Newfoundland at the time when such investment is made shall not exceed ten per cent of the total face or nominal amount of the company's share and loan capital outstanding at such time;

(iii) out of any moneys derived from the new or additional capital to be provided under section six of this Act invest and deal in shares, stocks, bonds or property outside of Canada which the directors deem useful or desirable for the purpose of or in connection with carrying out the general objects of the company,

4. Paragraph *(i)* reads at present as follows:—

"*(i)* invest and deal with any of the moneys (including moneys held by the Company to the credit of any of its sinking funds) of the Company not immediately required for the purposes thereof, upon such securities as trustees may under the laws of the province of British Columbia invest in, and in such manner as they may think fit, and from time to time vary or realize such investments;"

to wit: the furnishing of facilities for electrical transmission either by wire or otherwise of communications or intelligence by sound or signal or otherwise and from time to time vary and realize such investments provided however that the total amount of such investments in shares, stocks, bonds and property outside of Canada including any investments in property outside of Canada made under paragraph *(l)* of section sixteen of this Act shall not at the time when any such investment is made exceed an amount equal to five per cent of the total face or nominal amount of the company's share and loan capital outstanding at such time and provided further that no capital employed by the company in pursuance of the powers conferred by this paragraph in business carried on outside British Columbia nor any income derived therefrom shall be taken into consideration in any hearing subsequently held respecting the fixing of telephone rates in the province of British Columbia."

Power.

5. The first subsection of section sixteen of the said Act is amended by adding thereto the following as paragraph *(l)*:—

Radio-telephone and telegraph systems.

R.S., 1927, c. 195. 1932, c. 51.

"*(l)* Subject to the *Radiotelegraph Act*, *The Canadian Radio Broadcasting Act, 1932*, and to all general laws and regulations, construct, lease, or otherwise acquire, maintain, repair and operate radio-telephone and telegraph systems (wired or wireless) anywhere in the province of British Columbia, and may conduct and carry on anywhere outside of said province a general communication business by means of radio, telephone, telegraph, or other electrical agency, and to that end may construct, purchase, lease or otherwise acquire, maintain, repair and operate anywhere outside of said province radio-telephone and radio-telegraph stations and systems (wired or wireless), telephone and telegraph lines, exchanges and systems, and any combination of radio and telephone or other electrical equipment or agency."

6. The said Act is further amended by inserting immediately after section five thereof the following section:—

Redemption of preference shares.

"**5A.** (1) Subject to the provisions of this Act, the company may issue preference or preferred shares which are, or at the option of the company are to be liable, to be redeemed provided that—

(a) to the extent that any redemption of preference or preferred shares shall be made otherwise than out of the profits of the company which could otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the

5. Paragraph *(l)* is new.

6. The purpose of this section is to enable the Company to redeem preference shares issued as redeemable shares. It is framed on section forty-six of the English Companies Act, 1929, but in addition to permitting redemption of preferred shares out of profits also permits capital to be repaid on redemption provided that, in the latter case, proceedings for redemption of capital are carried out and for that purpose the reduction of capital provisions contained in Part I of the *Companies Act* are made to apply.

R.S., 1927, c. 27.

redemption, the provisions of Part I of the *Companies Act*, relating to the reduction of the share capital of a company shall apply, and such redemption shall be carried out only after compliance with such provisions;

(b) no preference or preferred shares shall be redeemed unless they are fully paid and no premium shall be payable on the redemption of preference or preferred shares except out of profits which would otherwise have been available for dividend.

Statement as to redeemable preference shares.

(2) There shall be included in every balance sheet of the company a statement specifying what part, if any, of the issued capital of the company consists of redeemable preference or preferred shares and the date, if any, on or before which those shares are, or are to be liable, to be redeemed.

Redemption in accordance with terms of issue.

(3) Subject to the provisions of this section the redemption of preference or preferred shares may be effected in accordance with the terms on which such shares are or have been issued by the company.

Issue of new shares.

(4) Where in pursuance of this section the company has redeemed or is about to redeem any preference or preferred shares it shall have power to issue shares up to the par amount of the shares redeemed or to be redeemed as if those shares had never been issued."

7. The said Act is further amended by adding immediately after section thirteen the following sections:—

Election and removal of directors.

"**13A.** The ordinary shareholders, at any annual meeting or at any special general meeting duly called for the purpose may at any time and from time to time, by a majority of the votes cast at such meeting:—

(a) elect additional directors to fill any vacancies arising from increase in the number of directors;

(b) remove any director before the expiration of his period of office, and if thought fit, elect another director in his stead to hold office until the expiration of the period for which the director so removed was elected: provided, however, that in the case of a director who upon his election received sufficient preference and preferred share votes to elect him, without taking into account ordinary share votes cast for him at such election, such director may not be so removed unless holders of a majority in aggregate par value of the preference and preferred shares represented at the meeting vote for such removal.

Qualifications to be elected a director to fill a vacancy.

"**13B.** No person shall be elected as a director or appointed as a director to fill any vacancy unless he or a corporation of which he is an officer or a director is a shareholder and, if the by-laws of the company so provide, owning absolutely in his own right shares of the company to such amount as shall be required by the by-laws of the

7. The proposed section 13A is new.

The proposed section 13B replaces section 159 of the *Companies Act* which is declared inapplicable and the effect is to make applicable to this Company provisions in regard to qualification of directors similar to those added to section 103 of the *Companies Act* by the amendment of 1930.

company and not in arrears in respect of any calls thereon, and the majority of the directors of the company shall at all times be persons resident in Canada and subjects of His Majesty by birth or naturalization."

Certain provisions of the *Companies Act* not applicable.

8. Sections one hundred and fifty-seven, one hundred and fifty-nine and one hundred and ninety-eight of Part II of the *Companies Act*, chapter twenty-seven of the Revised Statutes of Canada, 1927, shall not apply to the Company.

8. The sections of the *Companies Act* here referred to read as follows:—

"**157.** The affairs of the Company shall be managed by a board of not more than nine and not less than three directors."

"**159.** No person shall be elected as a director unless he is a shareholder owning stock absolutely in his own right, and not in arrears in respect of any call thereon; and the majority of the directors of the Company so chosen shall, at all times, be persons resident in Canada, and subjects of His Majesty, by birth or naturalization."

"**198.** No company shall use any of its funds in the purchase of stock in any other corporation unless in so far as such purchase is specially authorized by the Special Act and also by the Act creating such other corporation."

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 37.

An Act to amend the Bills of Exchange Act.

First reading, March 19, 1934.

The MINISTER OF FINANCE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
77026 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 37.

An Act to amend the Bills of Exchange Act.

HIS MAJESTY, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section forty-three of the *Bills of Exchange Act*, chapter sixteen of the Revised Statutes of Canada, 1927, is repealed and the following is substituted therefor:—

Non-juridical days.

"**43.** In all matters relating to bills of exchange, the following and no other days shall be observed as legal holidays or non-juridical days:—

General.

(a) In all the provinces of Canada,
Sundays,
New Year's Day,
Good Friday,
Easter Monday,
Victoria Day,
Dominion Day,
Labour Day,
Remembrance Day,
Christmas Day,
The birthday (or the day fixed by proclamation for the celebration of the birthday) of the reigning sovereign,
Any day appointed by proclamation for a public holiday, or for a general fast, or a general thanksgiving throughout Canada,
The day next following New Year's day, Christmas Day, Victoria Day, Dominion Day, and the birthday of the reigning sovereign when such days respectively fall on Sunday;

Quebec.

(b) In the province of Quebec in addition to the said days,
The Epiphany,
The Ascension,
All Saints' Day,
Conception Day;

Explanatory Notes.

In paragraph *(a)* of section 43 "Remembrance Day" has been substituted for "Armistice Day", in order to harmonize the provisions of this Act with those of the Armistice Day Act which, as amended by chapter 4 of the Statutes of 1931, establishes the 11th day of November in each year as a holiday under the name of "Remembrance Day".

Provincial proclamation.

(c) In any one of the provinces of Canada, any day appointed by proclamation of the Lieutenant-Governor of such province for a public holiday, or for a fast or thanksgiving within the same, and any non-juridical day by virtue of a statute of such province;

Civic holiday.

(d) In any city, town, municipality or other organized district, any day appointed as a civic holiday by resolution of the council, or other statutory body charged with the administration of the civic or municipal affairs of the city, town, municipality or district." 10

R.S., c. 16, s. 43, am.

Paragraph *(d)* is new and designed to permit the closing of bank offices on civic holidays. In the absence of such provision, bills falling due on a civic holiday would have to be paid on that day.

37.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE F JSE OF COMMONS OF CANADA.

BILL 37.

An Act to amend the Bills of Exchange Act.

AS PASSED BY THE HOUSE OF COMMONS, 4th MAY, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
77028 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 37.

An Act to amend the Bills of Exchange Act.

HIS MAJESTY, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section forty-three of the *Bills of Exchange Act*, chapter sixteen of the Revised Statutes of Canada, 1927, is repealed and the following is substituted therefor:—

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General.

(a) In all the provinces of Canada,
Sundays,
New Year's Day,
Good Friday,
Easter Monday,
Victoria Day,
Dominion Day,
Labour Day,
Remembrance Day,
Christmas Day,
The birthday (or the day fixed by proclamation for the celebration of the birthday) of the reigning sovereign,
Any day appointed by proclamation for a public holiday, or for a general fast, or a general thanksgiving throughout Canada,
The day next following New Year's day, Christmas Day, Victoria Day, Dominion Day, and the birthday of the reigning sovereign when such days respectively fall on Sunday;

Quebec.

(b) In the province of Quebec in addition to the said days,
The Epiphany,
The Ascension,
All Saints' Day,
Conception Day;

Explanatory Notes.

In paragraph *(a)* of section 43 "Remembrance Day" has been substituted for "Armistice Day", in order to harmonize the provisions of this Act with those of the Armistice Day Act which, as amended by chapter 4 of the Statutes of 1931, establishes the 11th day of November in each year as a holiday under the name of "Remembrance Day".

Provincial proclamation.

(c) In any one of the provinces of Canada, any day appointed by proclamation of the Lieutenant-Governor of such province for a public holiday, or for a fast or thanksgiving within the same, and any non-juridical day by virtue of a statute of such province;

Civic holiday.

(d) In any city, town, municipality or other organized district, any day appointed as a civic holiday by resolution of the council, or other statutory body charged with the administration of the civic or municipal affairs of the city, town, municipality or district." R.S., c. 16, s. 43, am.

Paragraph *(d)* is new and designed to permit the closing of bank offices on civic holidays. In the absence of such provision, bills falling due on a civic holiday would have to be paid on that day.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 38.

An Act to amend the Dairy Industry Act.

First reading, March 19, 1934.

The MINISTER OF AGRICULTURE.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74349 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 38.

An Act to amend the Dairy Industry Act.

R.S., c. 45.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Short title.

1. This Act may be cited as *The Dairy Industry Amendment Act, 1934.*

Definitions.

2. Paragraphs *(f)*, *(h)*, *(i)* and *(o)* of section two of the *Dairy Industry Act*, chapter forty-five of the Revised Statutes of Canada, 1927, are repealed and the following are respectively substituted therefor:—

"Dairy product."

"*(f)* "dairy product," "dairy products" or "dairy produce" means any milk, cream, condensed milk, evaporated milk, milk powder, butter, cheese, ice cream or any other article manufactured from milk and all imitations thereof;

"Fat."

(h) "fat" means any fat or oil, whether of animal, vegetable or mineral origin;

"Foreign substance."

(i) "foreign substance" means any substance not necessary to the manufacture of the dairy product into which it is introduced;

"Package."

(o) "package" means any box, tub, crock, tin, crate, paper wrapper, carton or any other receptacle or covering used for the packing of any dairy product."

Regulations.

3. Paragraph *(a)* of section three of the said Act is repealed and the following is substituted therefor:—

"*(a)* the prescribing of standards for and the definition, classification, marking and branding of butter and cheese and other dairy products or constituents thereof;"

EXPLANATORY NOTES.

2. *(f)* This paragraph is amended to include evaporated milk and ice cream in a definition of dairy products.

(h) This paragraph is amended to include mineral oil in a definition of fat. This is necessary as such an oil might be used in the manufacture of a substitute for butter.

(i) This paragraph is amended so as to cover any dairy product. The paragraph as now effective deals with cheese only.

(o) This paragraph is amended so as to cover any dairy product. The paragraph as now effective deals with butter only.

3. *(a)* This paragraph is amended so as to include in the authority the prescribing of standards for dairy products. This is necessary in order to permit fixing of a legal standard for any dairy product by the Governor-in-Council.

Standards of dairy products.

4. Section six of the said Act is amended by adding thereto as subsection four thereof the following:—

"(4) No person shall manufacture, import into Canada, or offer, sell or have in his possession for sale any dairy product which does not conform to the standards and requirements of or is contained in a package contravening the provisions of this Part and regulations made hereunder." (New.)

Adulteration of dairy product.

5. Paragraph *(c)* of section eight of the said Act is repealed and the following is substituted therefor:—

"*(c)* incorporate or place any foreign substance in any dairy product during or after the manufacture of the said product."

6. Part II of the said Act is hereby repealed and the following substituted therefor:—

"PART II.

GRADING OF DAIRY PRODUCE.

Interpretation.

Definitions.

"**21.** In this Part and in any regulation made hereunder, unless the context otherwise requires,

"Dairy produce."

(a) "dairy produce" means butter, cheese and other food products manufactured from milk;

"Grader."

(b) "grader" means any person duly appointed as a dairy produce grader;

"Inspector."

(c) "inspector" means any person duly authorized by the Minister for the purpose of enforcing the provisions of this Part and the regulations made hereunder; (New.)

"Grading store."

(d) "grading store" means any warehouse designated by the Governor in Council as a place in which the grading of dairy produce may be carried on;

"Package."

(e) "package" means any box, paper wrapper, carton or any other receptacle or covering used for the packing of dairy produce; (New.)

"Minister."

(f) "Minister" means the Minister of Agriculture.

Regulations.

"**22.** (1) The Governor in Council may make regulations not inconsistent with this Act as to

(a) the grading of dairy produce;

(b) the establishment or designation of grading stores;

4. (4) This subsection is added in order to prohibit any non-conformity to or violation of the provisions and standards incorporated in this Part and regulations made thereunder.

5. *(c)* This paragraph is amended so as to cover any dairy product. The paragraph as now effective deals with cheese only.

6.

21. *(a)* Unchanged.

(b) Unchanged.

(c) New. It is proposed to use inspectors appointed under the provisions of Part I of the Act to assist in enforcing the provisions of this Part and the regulations made hereunder.

(d) Unchanged.

(e) New. "Package" was not previously defined under this Part.

(f) Unchanged.

22. *(a)* This subsection previously read "the grading of dairy produce intended for export." The words "intended for export" are omitted in order to provide by regulation for the grading of dairy produce for domestic consumption.

(b) Unchanged.

(c) the issuing of grader's certificates;
(d) the special marking of dairy produce and packages by manufacturers, vendors, or graders;

(e) the establishment of standards, definitions and grades for dairy produce;
(f) the imposition of fees for the grading of dairy produce;
(g) advertisement of dairy produce; (New.)

(h) the seizure and confiscation of dairy produce in respect of which any provision of this Part or any regulation made thereunder has been contravened; (New.)

(i) the efficient enforcement and operation of this Part. (New.)

When to come into force and where.

(2) The Governor in Council may by regulation prescribe the time when any regulation made under the provisions of this Part shall come into operation, the particular kind or kinds of dairy produce to which it shall apply, and the part or parts of Canada within which it shall be in force.

Appointment of inspectors and graders.

"**23.** There may be appointed such inspectors and dairy produce graders as may be deemed necessary for the carrying out of the provisions of this Part and of the regulations made hereunder.

Appeals from decisions of grader.

"**24.** The Governor in Council may, by regulation, provide for an appeal to the Dominion Dairy and Cold Storage Commissioner, or his representative, from a decision of a dairy produce grader as to the classification or grading of any particular lot of dairy produce.

Penalties.

"**25.** (1) Any person who
(a) not being a dairy produce grader, alters, effaces or obliterates wholly or partially, or causes to be altered, effaced or obliterated, any dairy produce grader's brands or marks on any dairy produce which has undergone grading, or on any package containing such dairy produce; or

(c) Unchanged.

(d) This subsection which formerly provided for the special marking by manufacturers, of packages containing dairy produce has been widened to include special marking by vendors or graders and refers to marking of produce and packages. Formerly this subsection applied only to packages containing dairy produce.

(e) Unchanged.

(f) Unchanged.

(g) New. It has been considered advisable to include this subsection as there has been in the past considerable advertising of dairy products which was very misleading.

(h) This subsection is new although similar authorization is provided for under Part I of the Act. The authority to seize dairy produce which is in contravention of legislation is one of the most effective aids in enforcement.

(i) New and is self explanatory.

(2) Unchanged.

23. This section has been altered by substituting the word "inspectors" for "other officers." This change has been made since as already pointed out it is proposed to utilize in the enforcement of the provisions of this Part, inspectors appointed under authority of Part I.

24. Unchanged.

25. *(a)* This subsection has been altered by inserting the words "not being a dairy produce grader." This change is required as it is occasionally necessary for a grader to change the grade marks which have already been applied to packages containing dairy produce. The words "dairy produce" have been substituted for the word "article" which previously appeared twice in this subsection.

(b) not being a dairy produce grader, brands, impresses or otherwise marks on any dairy produce or any package containing dairy produce any mark purporting to be the mark of any dairy produce grader or of the manufacturer of such article, either with the proper marking instrument of such dairy produce grader or manufacturer, or with any imitation thereof; or

(c) not being a dairy produce grader issues any dairy produce grader's certificate; or

(d) packs any dairy produce for sale in any package bearing grader's brands or marks; or (New.)

(e) sells or offers, exposes or has in possession for sale any dairy produce not marked in accordance with the provisions of the regulations made under this Part; or (New.)

(f) violates any provision of this Part or of any regulation made thereunder,

shall be liable to a penalty not exceeding two hundred dollars and not less than fifty dollars together with the costs of prosecution and in default of payment of such penalty and costs to imprisonment with or without hard labour for a term not exceeding six months unless such penalty and costs with costs of enforcement are sooner paid or to imprisonment with or without hard labour for a term not exceeding six months or to both fine and imprisonment.

***Prima facie* evidence.**

(2) For the purpose of establishing the guilt of any person charged with the violation of any of the provisions of this Part or of any regulation made thereunder,

(a) the having in possession by any manufacturer of or dealer in dairy produce of any dairy produce which contravenes any of the provisions of this Part or of any regulation made thereunder, shall be deemed to be *prima facie* evidence of intent to sell or use the same in violation of the law;

(b) the certificate of a dairy produce grader shall be *prima facie* evidence of the grade of any dairy produce therein referred to and conclusive evidence of the authority of the person giving the same without any proof of appointment or signature, and shall be received as evidence in any proceedings taken against any person for any contravention of this Part or any regulation made thereunder subject to the right of such person to require the attendance of the grader for the purpose of cross-examination. (Subsection (2) new.)"

(b) Has been altered by including the words "not being a dairy produce grader." The word "counterfeits" has been omitted but the intention of the subsection has not been changed.

(c) Subsection *(c)* and the first part of subsection *(d)* as they previously appeared have been omitted and the last clause of subsection *(d)* as previously written becomes subsection *(c)* of this Act.

(d) The purport of this subsection is the same as subsection *(e)* of the Part repealed, the wording being changed somewhat.

(e) New, and has been inserted in order to provide for the grading of dairy produce for domestic consumption.

(f) Unchanged.

Amended to provide for imposition of costs of prosecution and the words "with or without hard labour" have been added in connection with the imprisonment penalty.

Six months (at the end of subsection one) substituted for *three* months.

(2) This subsection which is new deals with procedure and is self explanatory.

Fifth Session, Seventeenth Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 38.

An Act to amend the Dairy Industry Act.

AS PASSED BY THE HOUSE OF COMMONS,
17th APRIL, 1934.

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
74355 1934

5th Session, 17th Parliament, 24 George V, 1934

THE HOUSE OF COMMONS OF CANADA.

BILL 38.

An Act to amend the Dairy Industry Act.

R.S., c. 45.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Short title.

1. This Act may be cited as *The Dairy Industry Amendment Act, 1934.*

Definitions.

2. Paragraphs *(f)*, *(h)*, *(i)* and *(o)* of section two of the *Dairy Industry Act*, chapter forty-five of the Revised Statutes of Canada, 1927, are repealed and the following are respectively substituted therefor:—

"Dairy product."

"*(f)* "dairy product," "dairy products" or "dairy produce" means any milk, cream, condensed milk, evaporated milk, milk powder, butter, cheese, ice cream or any other article manufactured from milk and all imitations thereof;

"Fat."

(h) "fat" means any fat or oil, whether of animal, vegetable or mineral origin;

"Foreign substance."

(i) "foreign substance" means any substance not necessary to the manufacture of the dairy product into which it is introduced;

"Package."

(o) "package" means any box, tub, crock, tin, crate, paper wrapper, carton or any other receptacle or covering used for the packing of any dairy product."

Regulations.

3. Paragraph *(a)* of section three of the said Act is repealed and the following is substituted therefor:—

"*(a)* the prescribing of standards for and the definition, classification, marking and branding of butter and cheese and other dairy products or constituents thereof;"

Explanatory Notes.

2. *(f)* This paragraph is amended to include evaporated milk and ice cream in a definition of dairy products.

(h) This paragraph is amended to include mineral oil in a definition of fat. This is necessary as such an oil might be used in the manufacture of a substitute for butter.

(i) This paragraph is amended so as to cover any dairy product. The paragraph as now effective deals with cheese only.

(o) This paragraph is amended so as to cover any dairy product. The paragraph as now effective deals with butter only.

3. *(a)* This paragraph is amended so as to include in the authority the prescribing of standards for dairy products. This is necessary in order to permit fixing of a legal standard for any dairy product by the Governor-in-Council.

Standards of dairy products.

4. Section six of the said Act is amended by adding thereto as subsection four thereof the following:—

"(4) No person shall manufacture, import into Canada, or offer, sell or have in his possession for sale any dairy product which does not conform to the standards and requirements of or is contained in a package contravening the provisions of this Part and regulations made hereunder." (New.)

Adulteration of dairy product.

5. Paragraph *(c)* of section eight of the said Act is repealed and the following is substituted therefor:—

"*(c)* incorporate or place any foreign substance in any dairy product during or after the manufacture of the said product."

6. Part II of the said Act is hereby repealed and the following substituted therefor:—

"PART II.

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Interpretation.

Definitions.

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(a) "dairy produce" means butter, cheese and other food products manufactured from milk;

"Grader."

(b) "grader" means any person duly appointed as a dairy produce grader;

"Inspector."

(c) "inspector" means any person duly authorized by the Minister for the purpose of enforcing the provisions of this Part and the regulations made hereunder; (New.)

"Grading store."

(d) "grading store" means any warehouse designated by the Governor in Council as a place in which the grading of dairy produce may be carried on;

"Package."

(e) "package" means any box, paper wrapper, carton or any other receptacle or covering used for the packing of dairy produce; (New.)

"Minister."

(f) "Minister" means the Minister of Agriculture.

Regulations.

"**22.** (1) The Governor in Council may make regulations not inconsistent with this Act as to

(a) the grading of dairy produce;

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4. (4) This subsection is added in order to prohibit any non-conformity to or violation of the provisions and standards incorporated in this Part and regulations made thereunder.

5. *(c)* This paragraph is amended so as to cover any dairy product. The paragraph as now effective deals with cheese only.

6.

21. *(a)* Unchanged.

(b) Unchanged.

(c) New. It is proposed to use inspectors appointed under the provisions of Part I of the Act to assist in enforcing the provisions of this Part and the regulations made hereunder.

(d) Unchanged.

(e) New. "Package" was not previously defined under this Part.

(f) Unchanged.

22. *(a)* This subsection previously read "the grading of dairy produce intended for export." The words "intended for export" are omitted in order to provide by regulation for the grading of dairy produce for domestic consumption.

(b) Unchanged.

(c) the issuing of grader's certificates;
(d) the special marking of dairy produce and packages by manufacturers, vendors, or graders;

(e) the establishment of standards, definitions and grades for dairy produce;
(f) the imposition of fees for the grading of dairy produce;
(g) advertisement of dairy produce; (New.)

(h) the seizure and confiscation of dairy produce in respect of which any provision of this Part or any regulation made thereunder has been contravened; (New.)

(i) the efficient enforcement and operation of this Part. (New.)

When to come into force and where.

(2) The Governor in Council may by regulation prescribe the time when any regulation made under the provisions of this Part shall come into operation, the particular kind or kinds of dairy produce to which it shall apply, and the part or parts of Canada within which it shall be in force.

Appointment of inspectors and graders.

"**23.** There may be appointed such inspectors and dairy produce graders as may be deemed necessary for the carrying out of the provisions of this Part and of the regulations made hereunder.

Appeals from decisions of grader.

"**24.** The Governor in Council may, by regulation, provide for an appeal to the Dominion Dairy and Cold Storage Commissioner, or his representative, from a decision of a dairy produce grader as to the classification or grading of any particular lot of dairy produce.

Penalties.

"**25.** (1) Any person who
(a) not being a dairy produce grader, alters, effaces or obliterates wholly or partially, or causes to be altered, effaced or obliterated, any dairy produce grader's brands or marks on any dairy produce which has undergone grading, or on any package containing such dairy produce; or

(c) Unchanged.

(d) This subsection which formerly provided for the special marking by manufacturers, of packages containing dairy produce has been widened to include special marking by vendors or graders and refers to marking of produce and packages. Formerly this subsection applied only to packages containing dairy produce.

(e) Unchanged.

(f) Unchanged.

(g) New. It has been considered advisable to include this subsection as there has been in the past considerable advertising of dairy products which was very misleading.

(h) This subsection is new although similar authorization is provided for under Part I of the Act. The authority to seize dairy produce which is in contravention of legislation is one of the most effective aids in enforcement.

(i) New and is self explanatory.

(2) Unchanged.

23. This section has been altered by substituting the word "inspectors" for "other officers." This change has been made since as already pointed out it is proposed to utilize in the enforcement of the provisions of this Part, inspectors appointed under authority of Part I.

24. Unchanged.

25. *(a)* This subsection has been altered by inserting the words "not being a dairy produce grader." This change is required as it is occasionally necessary for a grader to change the grade marks which have already been applied to packages containing dairy produce. The words "dairy produce" have been substituted for the word "article" which previously appeared twice in this subsection.

(*b*) not being a dairy produce grader, brands, impresses or otherwise marks on any dairy produce or any package containing dairy produce any mark purporting to be the mark of any dairy produce grader or of the manufacturer of such article, either with the proper marking instrument of such dairy produce grader or manufacturer, or with any imitation thereof; or

(*c*) not being a dairy produce grader issues any dairy produce grader's certificate; or

(*d*) packs any dairy produce for sale in any package bearing grader's brands or marks; or (New.)

(*e*) sells or offers, exposes or has in possession for sale any dairy produce not marked in accordance with the provisions of the regulations made under this Part; or (New.)

(*f*) violates any provision of this Part or of any regulation made thereunder,

shall be liable to a penalty not exceeding two hundred dollars and not less than fifty dollars together with the costs of prosecution and in default of payment of such penalty and costs to imprisonment with or without hard labour for a term not exceeding six months unless such penalty and costs with costs of enforcement are sooner paid or to imprisonment with or without hard labour for a term not exceeding six months or to both fine and imprisonment.

Prima facie evidence.

(2) For the purpose of establishing the guilt of any person charged with the violation of any of the provisions of this Part or of any regulation made thereunder,

(*a*) the having in possession by any manufacturer of or dealer in dairy produce of any dairy produce which contravenes any of the provisions of this Part or of any regulation made thereunder, shall be deemed to be *prima facie* evidence of intent to sell or use the same in violation of the law;

(*b*) the certificate of a dairy produce grader shall be *prima facie* evidence of the grade of any dairy produce therein referred to and conclusive evidence of the authority of the person giving the same without any proof of appointment or signature, and shall be received as evidence in any proceedings taken against any person for any contravention of this Part or any regulation made thereunder subject to the right of such person to require the attendance of the grader for the purpose of cross-examination. (Subsection (2) new.)"

(b) Has been altered by including the words "not being a dairy produce grader." The word "counterfeits" has been omitted but the intention of the subsection has not been changed.

(c) Subsection *(c)* and the first part of subsection *(d)* as they previously appeared have been omitted and the last clause of subsection *(d)* as previously written becomes subsection *(c)* of this Act.

(d) The purport of this subsection is the same as subsection *(e)* of the Part repealed, the wording being changed somewhat.

(e) New, and has been inserted in order to provide for the grading of dairy produce for domestic consumption.

(f) Unchanged.

Amended to provide for imposition of costs of prosecution and the words "with or without hard labour" have been added in connection with the imprisonment penalty.

Six months (at the end of subsection one) substituted for *three* months.

(2) This subsection which is new deals with procedure and is self explanatory.