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CANADA
HOUSE OF COMMONS

27th Parliament, 1st Session
1966/67

BILLS (First Reading)

Vol III

- Exchequer Court.	C-201
- Navigable Waters Protection Act (Prevention of water pollution).	C-202
- Indian Act.	C-203
- Canadian Film Development Corporation.	C-204
- Dairy Commission for Canada.	C-205
- Navigable Waters Protection Act (Removal of Kitsilano Trestle).	C-206
- Canada Assistance Plan.	C-207
- Crop Insurance Act.	C-208
- Criminal Code (Desecration of the National Flag of Canada).	C-209
- Railway Line from Stall Lake ... to Guernsey.	C-210
- Public Utilities Income Tax transfer.	C-211
- Canada Grain Act (Off-track Elevator Licensing).	C-212
- Atlantic Development Board Act.	C-213
- Criminal Code (Firearms).	C-214
- Employment of dock workers at the Ports of Montreal, Trois-Rivières and Quebec.	C-215
- Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act.	C-216
- Criminal Code (Publication of ingredients of wonder drugs).	C-217
- Assistance to livestock feeders in Eastern Canada and British Columbia.	C-218
- Criminal Code (Maltreatment of a Child).	C-219
- Immigration Appeal Board.	C-220
- Pension Benefits Standards.	C-221
- Banks and Banking.	C-222
- Savings Banks in the Province of Quebec.	C-223
- Appropriation Act #6, 1966.	C-224
- Dominion Day.	C-225
- Appropriation Act #7, 1966.	C-226
- Medical Care.	C-227
- Criminal Code (Harassing telephone communications).	C-228
- C.N.R. financing and guarantee 1965/66.	C-229
- Maintenance of railway operation.	C-230

C-201.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-201.

An Act to amend the Exchequer Court Act.

First reading, June 16, 1966.

THE MINISTER OF JUSTICE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24376

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-201.

An Act to amend the Exchequer Court Act.

R.S., 1952, c. 98; 1952–53, c. 30; 1957, c. 24; 1960–61, c. 38; 1964, c. 14.

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

1. Section 80 of the *Exchequer Court Act* is repealed and the following substituted therefor:

Fees payable.

"**80.** (1) All fees payable to the Registrar under this Act shall be paid into the Consolidated Revenue Fund of Canada and the Registrar shall regulate the collection of such fees.

Exception.

(2) Subsection (1) does not apply to fees collected by an official of a provincial court, acting as a Deputy Registrar of the Exchequer Court in accordance with any arrangement in that behalf made by the Minister of Justice, and any fees so collected shall be retained and dealt with in the same manner as amounts paid as provincial court fees."

Explanatory Notes.

The purpose of this Bill is

(*a*) to permit fees payable to the Registrar of the Exchequer Court of Canada to be paid otherwise than by means of law stamps issued for the purpose, as presently required by section 80 of the Act; and

(*b*) to permit fees collected by Deputy Registrars of the Exchequer Court, acting under arrangements made by the Minister of Justice for the use of provincial court facilities, to be retained and dealt with in the same manner as amounts paid as provincial court fees.

Section 80 at present reads as follows:

"**80.** All fees payable to the Registrar under this Act shall be paid by means of stamps issued for that purpose by the Minister of National Revenue, who shall regulate the sale thereof; and the proceeds of the sale of such stamps shall be paid into the Consolidated Revenue Fund of Canada."

C-202.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-202.

An Act to amend the Navigable Waters Protection Act (Prevention of water pollution)

First reading, June 17, 1966.

Mr. BASFORD.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24468

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-202.

An Act to amend the Navigable Waters Protection Act (Prevention of water pollution)

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

R.S., c. 193; 1953-54, c. 37.

1. The *Navigable Waters Protection Act* is amended by inserting therein, immediately after section 15 thereof, the following section:

If vessel, etc., not an obstruction to navigation.

"**15A.** When any vessel, cargo, or other thing is wrecked, sinking, lying ashore or grounded in navigable waters and is not an obstruction to navigation but is causing water pollution, or constitutes a danger to waterfowl or marine life, or is detrimental to the enjoyment of coastal property, the Minister may order the owner of such vessel, cargo or other thing to begin forthwith and prosecute diligently to completion, the removal or destruction thereof and may, in case of default, order such removal or destruction in such manner and by such means as he thinks fit."

Explanatory Notes.

The Auditor General's Report for the year 1965 (at pages 82 and 83) relates that "on March 5, 1964 a barge in tow with a cargo of oil sank in over 200 feet of water off Pasley Island in Howe Sound, B.C. Leaking oil fouled the beaches in the area....."

"The oil-laden barge remained a serious threat to water-fowl, marine life and coastal property and its removal was regarded as essential by the Department (of Transport). As the wreck was not a menace to navigation, there was no legislation under which the private interests involved could be held responsible for its removal or for costs if removal were undertaken by the Crown. Accordingly, the Department engaged salvage experts to investigate and report on the best means of dealing with the sunken barge."

The Auditor General concludes by saying that the total expense of the operation is expected to be at least $430,000.

The purpose of this bill is to place financial responsibility on the owners for the removal of a wreck or its cargo, in circumstances such as related above.

Section 16 of the *Navigable Waters Protection Act* already provides for recovery by Her Majesty from the owners of costs of removing wrecks, vessels or part thereof which are an obstacle to navigation it will now apply to wrecks, etc., which cause water pollution, or constitute a danger to water-fowl or marine life.

C-203.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-203.

An Act to amend the Indian Act.

First reading, June 20, 1966.

Mr. REID.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24503

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-203.

An Act to amend the Indian Act.

R.S., c. 149; 1952-53, c. 41; 1956, c. 40; 1958, c. 19; 1960, c. 8; 1960-61, c. 9.

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

1. Sections 93 to 99 of the *Indian Act* are repealed.

Explanatory Notes.

These sections which deal with the sale of intoxicants to Indians, the possession of intoxicants by an Indian, off or on the reserve, and other similar offences, should be deleted from the *Indian Act*, for as long as they remain therein the Indian is certainly discriminated against in law if not in fact.

C-204.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-204.

An Act to provide for the establishment of a Canadian Film Development Corporation.

First reading, June 20, 1966.

THE SECRETARY OF STATE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24094

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-204.

An Act to provide for the establishment of a Canadian Film Development Corporation.

HER 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 *Canadian Film Development Corporation Act.*

INTERPRETATION.

Definitions.

2. In this Act,

"Canadian feature film" and "Canadian feature film production."

(*a*) "Canadian feature film" and "Canadian feature film production" have the meanings assigned by subsection (2) of section 10;

"Corporation."

(*b*) "Corporation" means the Canadian Film Development Corporation established by section 3;

"Film activity."

(*c*) "film activity" means any activity in relation to the production, distribution, projection or exhibition of films;

"Film-maker."

(*d*) "film-maker" means a person creatively engaged in film production;

"Film production."

(*e*) "film production" means the creative, artistic and technical process of producing a film;

"Film technician."

(*f*) "film technician" means a person engaged in the technical or administrative aspects of film production; and

"Minister."

(*g*) "Minister" means the Secretary of State of Canada.

CANADIAN FILM DEVELOPMENT CORPORATION.

Corporation established.

3. A corporation is hereby established to be known as the Canadian Film Development Corporation, consisting of six members to be appointed by the Governor in Council as provided in section 4 and the person holding office from time to time as Government Film Commissioner.

Appointment of members.

4. (1) Each of the members of the Corporation to be appointed as provided in this section shall be appointed to hold office for a term of five years, except that of those first appointed three shall be appointed for a term of three years and three shall be appointed for a term of five years.

Chairman.

(2) The Governor in Council shall designate one of the members of the Corporation to serve as chairman of the Corporation during pleasure.

Eligibility for re-appointment.

(3) A retiring member of the Corporation is eligible for re-appointment.

Vacancy.

(4) When a member ceases to be a member before the end of the term for which he was appointed, the Governor in Council shall appoint a person to be a member for the remainder of that term.

Eligibility of members.

5. No person is eligible to be appointed or to hold office as a member of the Corporation who has, directly or indirectly and individually or as a shareholder, partner or otherwise, any pecuniary interest in commercial film activity.

Remuneration and expenses.

6. Each member of the Corporation, other than the Government Film Commissioner or other member of the public service of Canada, may be paid such remuneration for each day he attends any meeting of the Corporation as may be fixed by by-law of the Corporation, and each member of the Corporation is entitled to be paid reasonable travelling and living expenses incurred by him while absent from his ordinary place of residence in the course of his duties under this Act.

Quorum.

7. A majority of the members of the Corporation constitutes a quorum for the transaction of the business of the Corporation.

Vacancies.

8. A vacancy in the membership of the Corporation does not impair the right of the remainder to act.

Vice-chairman.

9. The Corporation may designate one of its members to be vice-chairman of the Corporation who shall, in the event of the absence or incapacity of the chairman or if the office of chairman is vacant, act as chairman.

OBJECTS AND POWERS.

Objects.

10. (1) The objects of the Corporation are to foster and promote the development of a feature film industry in Canada, and without limiting the generality of the foregoing, the Corporation may, in furtherance of its objects,

(*a*) invest in individual Canadian feature film productions in return for a share in the proceeds from any such production;

(*b*) make loans to producers of individual Canadian feature film productions and charge interest thereon;

(*c*) make awards for outstanding accomplishments in the production of Canadian feature films;

(*d*) make grants to film-makers and film technicians resident in Canada to assist them in improving their craft; and

(*e*) advise and assist the producers of Canadian feature films in the distribution of such films and in the administrative functions of feature film production.

Significant Canadian content.

(2) For the purposes of this Act, a "Canadian feature film" or "Canadian feature film production" is a feature film or feature film production in respect of which the Corporation has determined

(*a*) that the completed film will, in the judgment of the Corporation, have a significant Canadian creative, artistic and technical content, and that arrangements have been made to ensure that the copyright in the completed film will be beneficially owned by an individual resident in Canada, by a corporation incorporated under the laws of Canada or a province or by any combination of such persons; or

(*b*) that provision has been made for the production of the film under a co-production agreement entered into between Canada and another country.

Corporation not a partner.

(3) The Corporation shall not be regarded as a partner in any film production in which it may invest and its liability shall be limited to the amount of its investment in the production.

Consultation and co-operation.

(4) The Corporation shall, to the greatest possible extent consistent with the performance of its duties under this Act, consult and co-operate with departments, branches and agencies of the Government of Canada and of the governments of the provinces having duties related to, or having aims or objects related to those of the Corporation.

ORGANIZATION.

Meetings.

11. The members of the Corporation shall meet at such times and places as they deem necessary but shall meet at least six times a year.

Executive director and secretary.

12. (1) The Governor in Council may on the recommendation of the Corporation appoint an executive director of the Corporation and a secretary of the Corporation who shall hold office during pleasure and shall be paid such salaries as are fixed by the Governor in Council.

Direction and work of staff.

(2) The executive director is the chief executive officer of the Corporation and has supervision over and direction of the work and staff of the Corporation, and the executive director may attend the meetings of the Corporation.

By-laws.

13. The Corporation may, subject to the approval of the Minister, make by-laws for the regulation of its proceedings and generally for the conduct and management of its activities.

Advisory Group.

14. The Minister may, on the recommendation of the Corporation, appoint an Advisory Group broadly representative of the professional associations, exhibitors, distributors and unions in the Canadian film industry and including other qualified persons, to advise the Corporation on matters which the Minister or the Corporation may refer to it.

Staff and special advisers.

15. The Corporation may employ such officers and employees and such technical and professional advisers as it considers necessary for the proper conduct of its activities at such remuneration and upon such other terms and conditions as it deems fit.

Application of *Public Service Superannuation Act*.

16. The *Public Service Superannuation Act* does not apply to the members of the Corporation as such.

Corporation agent of Her Majesty.

17. (1) The Corporation is, for all purposes of this Act, an agent of Her Majesty, and its powers under this Act may be exercised only as an agent of Her Majesty.

Contracts.

(2) The Corporation may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Corporation.

Property.

(3) Property acquired by the Corporation is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Corporation.

Proceedings.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Corporation on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Corporation in the name of the Corporation in any court that would have jurisdiction if the Corporation were not an agent of Her Majesty.

FINANCIAL.

Appropriation.

18. (1) There is hereby appropriated for the purposes of this Act the sum of ten million dollars to be paid out of the Consolidated Revenue Fund from time to time as required pursuant to this Act.

Canadian Film Development Advance Account.

(2) There shall be established in the Consolidated Revenue Fund a special account to be known as the Canadian Film Development Advance Account.

Amounts to be charged to Account.

(3) All amounts required for the purposes of paragraphs (*a*) and (*b*) of subsection (1) of section 10 shall be paid

(*a*) out of the amount appropriated by subsection (1), or

(*b*) out of amounts credited to the Account under subsection (4),

and shall be charged to the Canadian Film Development Advance Account.

Amounts to be credited to Account.

(4) All amounts received by the Corporation as or on account of proceeds from any production in which the Corporation has invested under paragraph (*a*) of subsection (1) of section 10 or as or on account of the principal amount of or interest on any loan made by it under paragraph (*b*) of subsection (1) of that section, shall be paid by the Corporation to the Receiver General of Canada to be deposited in the Consolidated Revenue Fund and credited to the Canadian Film Development Advance Account.

Other expenses.

(5) All amounts required

(*a*) for the purposes of paragraphs (*c*), (*d*) and (*e*) of subsection (1) of section 10, and

(*b*) for the payment of salaries and other expenses, including expenses of administration, under this Act,

shall be paid out of the amount appropriated by subsection (1) and shall be charged to budgetary expenditures.

Audit.

Audit.

19. The accounts and financial transactions of the Corporation shall be audited annually by the Auditor General, and a report of the audit shall be made to the Corporation and to the Minister.

Report to Parliament.

Report.

20. The chairman of the Corporation shall, within three months after the termination of each fiscal year, transmit to the Minister a statement in such form as the Minister may prescribe relating to the activities of the Corporation for that fiscal year, including the financial statements of the Corporation and the Auditor General's report thereon, and the Minister shall cause such statement to be laid before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-205.

An Act to provide for the establishment of a Dairy Commission for Canada.

First reading, June 20, 1966.

The MINISTER OF AGRICULTURE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24472

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-205.

An Act to provide for the establishment of a Dairy Commission for Canada.

HER 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 *Canadian Dairy Commission Act.*

INTERPRETATION.

Definitions.

2. In this Act,

"Commission."
(*a*) "Commission" means the Canadian Dairy Commission established by this Act;

"Dairy product."
(*b*) "dairy product" means milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice-cream, malted milk, sherbet, or any other product manufactured wholly or mainly from milk;

"Market."
(*c*) "market" means to market in interprovincial or export trade;

"Milk", "cream."
(*d*) "milk" means milk from cows and "cream" means cream derived from such milk;

"Minister."
(*e*) "Minister" means the Minister of Agriculture;

"Place."
(*f*) "place" includes any vehicle, vessel, railway car or aircraft; and

"Regulated product."
(*g*) "regulated product" means a dairy product the marketing of which is regulated or prohibited by regulations made under this Act.

Canadian Dairy Commission.

Commission established.

3. (1) There shall be a corporation to be known as the Canadian Dairy Commission consisting of three members appointed by the Governor in Council to hold office during pleasure.

Chairman and Vice-Chairman.

(2) The Governor in Council shall designate one of the members to be Chairman of the Commission and one of the members to be Vice-Chairman of the Commission.

Chief executive officer.

(3) The Chairman is the chief executive officer of the Commission.

Remuneration and expenses of Commission members.

(4) Each member of the Commission may be paid such salary or other remuneration as is fixed by the Governor in Council, and may be paid such travelling and living expenses incurred by him in connection with the performance of his duties as are fixed by the Governor in Council.

Retirement age.

(5) A member ceases to hold office upon reaching the age of seventy years.

Temporary substitute member.

(6) If any member of the Commission is absent or unable to act, the Governor in Council may appoint a temporary substitute member for such term and upon such conditions as the Governor in Council prescribes.

Head office.

(7) The head office of the Commission shall be in the City of Ottawa, but meetings of the Commission may be held at such other places as the Commission may decide.

Agent of Her Majesty.

4. (1) The Commission is for all purposes of this Act an agent of Her Majesty, and its powers under this Act may be exercised by it only as such agent.

Contracts.

(2) The Commission may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Commission.

Property.

(3) Property acquired by the Commission is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Commission.

Actions.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Commission on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Commission in the name of the Commission in any court that would have jurisdiction if the Commission were not an agent of Her Majesty.

Consultative Committee.

Consultative Committee.

5. (1) The Minister shall appoint a Consultative Committee consisting of a chairman and eight other members.

Tenure of members.

(2) Each of the members of the Consultative Committee shall be appointed for a term not exceeding three years, except that of those members first appointed

three shall be appointed for a term of two years, three shall be appointed for a term of three years and three shall be appointed for a term of four years.

Functions of Consultative Committee.

6. (1) The Consultative Committee shall meet at such times as are fixed by the Commission and shall advise the Commission on such matters relating to the production and marketing of dairy products as are referred to it by the Commission.

Remuneration and expenses.

(2) The members of the Consultative Committee may be paid for their services such remuneration and expenses as are fixed by the Governor in Council.

STAFF.

Officers and employees.

7. (1) The Commission may

(*a*) appoint such officers and employees as are necessary for the proper conduct of the work of the Commission; and

(*b*) prescribe the duties of such officers and employees and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.

Salaries and expenses of staff.

(2) The officers and employees of the Commission appointed as provided in subsection (1) shall be paid such salaries and expenses as are fixed by the Commission with the approval of the Treasury Board.

OBJECTS OF THE COMMISSION.

Objects of Commission.

8. The objects of the Commission are to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality.

POWERS OF COMMISSION.

Powers.

9. (1) Subject to and in accordance with any regulations made under this Act, the Commission may

(*a*) purchase any dairy product and package, process, store, ship, insure, import, export, or sell or otherwise dispose of any dairy product purchased by it;

(*b*) make payments for the benefit of producers of milk and cream for the purpose of stabilizing the price of those products, which payments may be made on the basis of volume, quality or on such other basis as the Commission deems appropriate;

(*c*) make investigations into any matter relating to the production, processing or marketing of any dairy product, including the cost of producing, processing or marketing that product;

(*d*) undertake and assist in the promotion of the use of dairy products, the improvement of the quality and variety thereof and the publication of information in relation thereto; and

(*e*) do all such acts and things as are necessary or incidental to the exercise of any of its powers or the carrying out of any of its functions under this Act.

Inquiries.

(2) For the purpose of carrying out any investigation under paragraph (*c*) of subsection (1), the Commission has all the powers of a commissioner appointed under Part I of the *Inquiries Act*.

Rules of procedure.

(3) The Commission may make such rules as it deems necessary for the regulation of its proceedings, for the fixing of a quorum for any of its meetings and generally for the conduct of its activities under this Act.

DUTIES OF COMMISSION.

Commission to submit program to Minister.

10. (1) Each year, following determination by the Governor in Council pursuant to the *Agricultural Stabilization Act* of the total amount to be paid by the Agricultural Stabilization Board to the Commission for the purpose of stabilizing the price of milk and cream, the Commission shall submit to the Minister an outline of the program by which it proposes to carry out its functions under this Act for the following fiscal year.

Manner of carrying out functions.

(2) The Commission shall carry out its functions under this Act in a manner that will achieve its objects and meet its obligations from the moneys available to it under this Act.

Compliance by Commission with certain directions from Governor in Council or Minister.

11. In exercising its powers under this Act or the regulations in relation to the importation or exportation of any dairy product, the Commission shall comply with any directions from time to time given to it by the Governor in Council or the Minister.

REGULATIONS.

Regulations.

12. (1) The Governor in Council may make regulations regulating the marketing of any dairy product, including regulations

(*a*) providing for the marketing of any dairy product on a quota basis;

(*b*) designating the agencies through which any regulated product shall be marketed;

(*c*) providing for the issue of licences to persons engaged in the production or processing of a regulated product for market, prescribing the fees therefor and providing for cancellation or suspension of licences;

(*d*) prohibiting persons from engaging in the marketing of any dairy product, or any class, variety or grade thereof, in whole or in part except under the authority of a licence;

(*e*) prescribing the books and records to be kept by persons engaged in the production or processing of a regulated product for market and the information to be furnished by such persons;

(*f*) authorizing the Commission to fix, impose and collect levies or charges from persons engaged in the marketing of any dairy product or the production or processing of a regulated product for market and for such purposes to classify such persons into groups, fix the levies or charges payable by the members of the different groups and to use such levies or charges for the purpose of carrying out its functions under this Act;

(*g*) providing for the seizure and disposal of any regulated product marketed in contravention of any regulation made under this section; and

(*h*) generally, for carrying out the purposes and provisions of this Act.

Regulation may be general or specific.

(2) A regulation made under subsection (1) may be general or restricted to a specific dairy product, area, or group or class of persons.

Idem.

13. The Governor in Council may make regulations requiring the registration of producers of milk and cream as a condition of the making of any payment under paragraph (*b*) of subsection (1) of section 9 for the benefit of such producers and prescribing the books and records to be kept and the information to be furnished to the Commission by or on behalf of such producers.

EXPENDITURES.

Administration expenses to be paid out of appropriations.

14. All expenditures for salaries, travelling expenses and expenses of administration, excluding those that in the opinion of the Minister are directly attributable to action taken by the Commission to stabilize the price of any dairy product, shall be paid out of moneys appropriated by Parliament for the purpose.

Canadian Dairy Commission Account.

15. (1) There shall be established in the Consolidated Revenue Fund a special account to be known as the Canadian Dairy Commission Account, in this section called the "Account".

Credits to Account.

(2) There shall be credited to the Account

(*a*) all moneys received by the Commission from its operations;

(*b*) all licence fees, levies and charges paid to the Commission;

(*c*) all loans made to the Commission by the Minister of Finance pursuant to section 16; and

(*d*) all amounts paid to the Commission by the Agricultural Stabilization Board under the *Agricultural Stabilization Act* for the purpose of stabilizing the price of any dairy product.

Charges to Account.

(3) There shall be paid out of the Consolidated Revenue Fund and charged to the Account

(*a*) all expenditures under this Act, except those to be paid pursuant to section 14; and

(*b*) all amounts paid to the Minister of Finance in repayment of loans made to the Commission pursuant to section 16 or as interest on any such loans.

Limitation.

(4) No payment shall be made out of the Consolidated Revenue Fund under this section in excess of the amount of the balance to the credit of the Account.

Loans to Commission.

16. (1) At the request of the Commission, the Minister of Finance may, out of the Consolidated Revenue Fund, make loans to the Commission on such terms and conditions as are approved by the Governor in Council for the purpose of exercising any of the powers of the Commission described in paragraph (*a*) of subsection (1) of section 9.

Limitation.

(2) The total amount outstanding at any time of loans made under subsection (1) shall not exceed one hundred million dollars.

GENERAL.

Inclusion of dairy product on Import Control List.

17. The Governor in Council may include on the Import Control List established under the *Export and Import Permits Act* any dairy product the import of which he deems it necessary to control for the purpose of implementing any action taken under this Act to support the price of that dairy product or that has the effect of supporting the price of that dairy product.

Inspectors.

18. The Commission may appoint or designate any person as an inspector for the purposes of this Act.

Powers of inspector.

19. (1) An inspector may at any reasonable time enter any place in which he reasonably believes there is any regulated product and may require any person to produce for inspection or for the purpose of obtaining copies thereof or extracts therefrom, any books, records or documents relating to that product.

Certificate of designation.

(2) An inspector shall be furnished by the Commission with a certificate of appointment or designation and on entering any place under subsection (1) shall, if so required, produce the certificate to the person in charge thereof.

Assistance to inspector.

(3) The owner or persons in charge of any place described in subsection (1) and every person found therein shall give an inspector all reasonable assistance in his power to enable the inspector to carry out his duties and functions under this Act and shall furnish him with such information with respect to any regulated product found therein as he may reasonably require.

Obstruction of inspector.

20. (1) No person shall obstruct or hinder an inspector in the carrying out of his duties or functions under this Act or any regulation made thereunder.

False statement.

(2) No person shall make a false or misleading statement either verbally or in writing to an inspector engaged in carrying out his duties or functions under this Act or any regulation made thereunder.

Offences and penalties.

21. (1) Every person who, or whose employee or agent, contravenes or fails to comply with any provision of this Act or any regulation made thereunder is guilty of an offence and liable

(*a*) on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months or to both such fine and imprisonment; or

(*b*) on conviction upon indictment to a fine not exceeding two thousand dollars or to imprisonment for a term not exceeding one year or to both such fine and imprisonment.

Offence by employee or agent.

(2) In a prosecution for an offence under this section it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused whether or not the employee or agent is identified.

Defence.

(3) Where it is established in any prosecution for an offence under this section that the offence was committed by an employee or agent of the accused, it is a defence to the accused that he exercised all due diligence to prevent the commission of the offence.

Report to Parliament.

Report to Parliament.

22. The Commission shall, within three months after the termination of each fiscal year, submit to the Minister in such form as he may prescribe, an annual report of the financial transactions and other actions taken under this Act, and the Minister shall lay the report before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

Coming into Force.

Coming into force.

23. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-206.

An Act to amend the Navigable Waters Protection Act (Removal of Kitsilano Trestle).

First reading, June 21, 1966.

Mr. BASFORD.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24481

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-206.

An Act to amend the Navigable Waters Protection Act (Removal of Kitsilano Trestle).

R.S., c. 193; 1953-54, c. 37; 1956, c. 41.

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

1. Section 5 of the *Navigable Waters Protection Act* is amended by adding thereto the following subsection:

Removal of Kitsilano Trestle.

"(4) The railway bridge located in False Creek in the City of Vancouver and spanning the said creek between Burrard Street and Granville Street and commonly referred to as the Kitsilano Trestle, and being part of the branch lines of the Canadian Pacific Railway Company, as mentioned in section 5, chapter 56 of Statutes of 1887, shall for the purposes of this Act be deemed a work built or placed upon a site not approved by the Governor in Council, notwithstanding the provisions of any other Act or statute of the Parliament of Canada."

Explanatory Notes.

The C.P.R. Kitsilano Trestle or railway bridge crossing False Creek in Vancouver is a serious hazard to navigation and is effectively preventing the development of potentially prime industrial land. As the construction of this railway bridge was never properly approved, the purpose of this Bill is to declare the Kitsilano Trestle an unlawful work for purposes of the *Navigable Waters Protection Act* and hence subject to removal by the Minister of Public Works at the expense of the C.P.R.

It is difficult to establish the early history of the bridge because some of the records of the Department of Public Works and the Department of Marine were destroyed in the West Block fire of 1897. It is clear, however, that the first bridge was constructed in 1886 after Sir Joseph Trutch, acting as the agent of the Government of Canada, reported on the type of structure that should be allowed. The only "authority" the C.P.R. had, that had any colour of approval, was a letter dated November 30, 1885, from William Smith, Deputy Minister of Marine to W. C. Van Horne, Vice-President of the C.P.R., which concluded: "The Department will approve of Mr. Trutch's recommendations being adopted if your Company is prepared to adopt them," and Mr. Van Horne's reply of December 9, 1885, saying: "In regard to the crossing of False Creek Inlet, English Bay, I beg to say that this Company will conform to the conditions named therein."

Neither the Department of Public Works nor the Department of Marine had authority to give such permission and no Order-in-Council was passed as required by chapter 37 of the Statutes of 1882.

In 1895 the first bridge had fallen into disrepair and was removed. In 1898 a second bridge was built, but the site thereof was not approved by Order-in-Council as required by chapter 35 of the Statutes of 1886, or section 2 of chapter 92 of the Revised Statutes of 1886, which reads as follows:

"No bridge, boom, dam or aboiteau shall be constructed so as to interfere with navigation, unless the site thereof has been approved by the Governor in Council, and unless such bridge, boom, dam or aboiteau is built and maintained in accordance with plans approved by the Governor in Council."

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-207.

An Act to authorize the making of contributions by Canada towards the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

First reading, June 21, 1966.

THE MINISTER OF NATIONAL HEALTH AND WELFARE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24134

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-207.

An Act to authorize the making of contributions by Canada towards the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Preamble.

WHEREAS the Parliament of Canada, recognizing that the provision of adequate assistance to and in respect of persons in need and the prevention and removal of the causes of poverty and dependence on public assistance are the concern of all Canadians, is desirous of encouraging the further development and extension of assistance and welfare services programs throughout Canada by sharing more fully with the provinces in the cost thereof;

NOW, THEREFORE, Her 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 *Canada Assistance Plan.*

INTERPRETATION.

Definitions.

"Assistance."

2. In this Act,

(*a*) "assistance" means aid in any form to or in respect of persons in need for the purpose of providing or providing for all or any of the following:

(i) food, shelter, clothing, fuel, utilities, household supplies and personal requirements (hereinafter referred to as "basic requirements"),

(ii) prescribed items incidental to carrying on a trade or other employment and other prescribed special needs of any kind,

(iii) care in a home for special care,
(iv) travel and transportation,
(v) funerals and burials,
(vi) health care services,
(vii) prescribed welfare services purchased by or at the request of a provincially approved agency, and
(viii) comfort allowances and other prescribed needs of residents or patients in hospitals or other prescribed institutions;

"Child welfare authority."

(*b*) "child welfare authority" means any provincially approved agency that has been designated by or under the provincial law or by the provincial authority for the purpose of administering or assisting in the administration of any law of the province relating to the protection and care of children;

"Health care services."

(*c*) "health care services" means medical, surgical, obstetrical, optical, dental and nursing services, and includes drugs, dressings, prosthetic appliances and any other items or health services necessary to or commonly associated with the provision of any such specified services, but does not include insured services within the meaning of the *Hospital Insurance and Diagnostic Services Act* or any other prescribed hospital care services;

"Home for special care."

(*d*) "home for special care" means a residential welfare institution that is of a kind prescribed for the purposes of this Act as a home for special care, and that is listed in a schedule to an agreement under section 4, but does not include a hospital, correctional institution or institution whose primary purpose is education, other than that part of a hospital that is used as a residential welfare institution and that is listed in a schedule to an agreement under section 4;

"Minister."

(*e*) "Minister" means the Minister of National Health and Welfare;

"Municipality."

(*f*) "municipality" means an incorporated city, metropolitan authority, town, village, township, district or rural municipality or other incorporated municipal body however designated, and includes any other local government body that is established by or under a law of a province and that is prescribed for the purposes of this Act as a municipality;

"Person in need."

(*g*) "person in need" means

(i) a person who, by reason of inability to obtain employment, loss of the principal family provider, illness, disability, age or other cause of any kind acceptable to the provincial authority, is found to be unable (on the basis of a test established by the provincial authority that takes into account that person's budgetary requirements and the income and resources available to him to meet such requirements) to provide adequately for himself, or for himself and his dependants or any of them, or

(ii) a person under the age of twenty-one years who is in the care or custody or under the control or supervision of a child welfare authority, or a person who is a foster child as defined by regulation,

and for the purposes of subparagraph (v) of paragraph (*a*) includes a deceased person who was a person described in subparagraph (i) or (ii) at the time of his death or who, although not such a person at the time of his death, would have been found to be such a person if an application for assistance to or in respect of him had been made immediately before his death;

"Prescribed."

(*h*) "prescribed" means prescribed by regulation;

"Provincial authority."

(*i*) "provincial authority" means the provincial Minister or other official or body specified by the province in an agreement entered into under section 4 as being charged with the administration of the provincial law;

"Provincial law."

(*j*) "provincial law" means the Acts of the legislature of a province that provide for

(i) assistance, or

(ii) welfare services in the province,

under conditions consistent with the provisions of this Act and the regulations, and includes any regulations made under those Acts;

"Provincially approved agency."

(*k*) "provincially approved agency" means any department of government, person or agency, including a private non-profit agency, that is authorized by or under the provincial law or by the provincial authority to accept applications for assistance, determine eligibility for assistance, provide or pay assistance or provide welfare services and that is listed in a schedule to an agreement under section 4;

"Regulation."

(*l*) "regulation" means a regulation made by the Governor in Council under this Act;

"Welfare services."

(*m*) "welfare services" means services having as their object the lessening, removal or prevention of the causes and effects of poverty, child neglect or dependence on public assistance, and, without limiting the generality of the foregoing, includes

(i) rehabilitation services,

(ii) casework, counselling, assessment and referral services,

(iii) adoption services,

(iv) homemaker, day-care and similar services,

(v) community development services,

(vi) consulting, research and evaluation services with respect to welfare programs, and

(vii) administrative, secretarial and clerical services, including staff training, relating to the provision of any of the foregoing services or to the provision of assistance,

but does not include any service relating wholly or mainly to education, correction or any other matter prescribed by regulation or, except for the purposes of paragraph (*a*), any service provided by way of assistance;

"Welfare services provided in the province."

(*n*) "welfare services provided in the province" means welfare services provided in the province pursuant to the provincial law to or in respect of persons in need or persons who are likely to become persons in need unless such services are provided; and

"Year."

(*o*) "year" means a twelve-month period ending on the thirty-first day of March.

PART I.

GENERAL ASSISTANCE AND WELFARE SERVICES.

Definitions

3. In this Part,

"Agreement."

(*a*) "agreement" means an agreement made under section 4; and

"Contribution."

(*b*) "contribution" means an amount payable by Canada under an agreement.

Agreement Authorized.

Agreement for sharing assistance and welfare services costs authorized.

4. Subject to this Act, the Minister may, with the approval of the Governor in Council, enter into an agreement with any province to provide for the payment by Canada to the province of contributions in respect of the cost to the province and to municipalities in the province of

(*a*) assistance provided by or at the request of provincially approved agencies, and

(*b*) welfare services provided in the province by provincially approved agencies,

pursuant to the provincial law.

Contributions.

Amount of contributions.

5. (1) The contributions payable to a province under an agreement shall be paid in respect of each year and shall be the aggregate of

(*a*) fifty per cent of the cost to the province and to municipalities in the province in that year of assistance provided by or at the request of provincially approved agencies; and

(*b*) fifty per cent of either

(i) the amount by which

(A) the cost to the province and to municipalities in the province in that year of welfare services provided in the province by provincially approved agencies

exceeds

(B) the total of

1. the cost to the province, in the fiscal year of the province coinciding with or ending in the period commencing April 1, 1964 and ending March 31, 1965, of welfare services provided in the province, and
2. the cost to municipalities in the province, in the fiscal years of such municipalities coinciding with or ending in the period commencing April 1, 1964 and ending March 31, 1965, of welfare services provided in the province,

or

(ii) the cost to the province and to municipalities in the province in that year of the employment by provincially approved agencies of persons employed by such agencies

(A) wholly or mainly in the performance of welfare services functions, and

(B) in positions filled after March 31, 1965,

at the election of the province made at such time or times and in such manner as may be prescribed.

Costs excluded.

(2) In this section, "cost" does not include,

(*a*) with respect to assistance, any capital cost as defined by regulation for the purposes of this paragraph;

(*b*) with respect to welfare services, any capital cost or any plant or equipment operating cost as defined by regulation for the purposes of this paragraph;

(*c*) any cost that Canada has shared or is required to share in any manner with the province, or that Canada has borne or is required to bear, pursuant to any other Part or pursuant to any Act of the Parliament of Canada passed before or after the coming into force of this Act; or

(*d*) any cost of insurance premiums or of co-insurance or similar charges relating to the provision of

(i) insured services within the meaning of the *Hospital Insurance and Diagnostic Services Act*, or

(ii) health or medical care services, if at the time the cost is incurred there is in force an Act of the Parliament of Canada other than this Act, pursuant to which Canada is required to share in any manner with the province the cost of providing those services to the general public.

Cost of welfare services provided under National Welfare Grants projects included.

(3) Notwithstanding paragraph (*c*) of subsection (2), the cost to the province and to municipalities in the province in a year of welfare services provided in the province as or as part of a project (other than a demonstration or research project as defined by regulation) approved by the Minister pursuant to the rules made by the Governor in Council for the purposes of the National Welfare Grants program, shall be included for that year for the purposes of, and be deemed to be a cost within the meaning of, either clause (A) of subparagraph (i) of paragraph (*b*) of subsection (1) or subparagraph (ii) of paragraph (*b*) of subsection (1), depending upon the election made by the province under paragraph (*b*) of subsection (1), if Canada has not previously made a payment to the province with respect to such cost.

Obligation to province satisfied.

(4) Where any cost is included for the purposes of clause (A) of subparagraph (i) of paragraph (*b*) of subsection (1) or subparagraph (ii) of paragraph (*b*) of subsection (1) by virtue of subsection (3), Canada shall be deemed for the purposes of the rules made by the Governor in Council for the purposes of the National Welfare Grants program to have satisfied all of its obligations to the province with respect to such cost.

Health care services not excluded because test not given.

(5) The cost to the province and to municipalities in the province of health care services provided in the year ending March 31, 1967 to a person who is in receipt of

(*a*) assistance, an allowance or a pension, as the case may be, within the meaning of the *Old Age Assistance Act*, the *Blind Persons Act*, the *Disabled Persons Act* or the *Old Age Security Act*,

(*b*) a payment from the province by way of mothers' allowance, widow's pension or disability pension, or

(*c*) any other prescribed welfare payment from the province,

shall not for the purposes of paragraph (*a*) of subsection (1) be excluded by reason only that the test contemplated by subparagraph (i) of paragraph (*g*) of section 2 was not applied in respect of such person before the services were provided to him, if such test is applied in respect of him thereafter in that year, on the basis of which he is found to be unable to provide adequately for himself, or for himself and his dependants or any of them.

TERMS OF AGREEMENT.

Provisions to be included in agreements.

6. (1) An agreement

(*a*) shall include schedules for the purposes of paragraphs (*d*) and (*k*) of section 2 and a schedule listing the Acts of the legislature of the province referred to in paragraph (*j*) of section 2;

(*b*) shall provide for the exchange between Canada and the province of statistical and other information relating to the administration and operation of this Act and the provincial law;

(*c*) may provide that any home for special care or any provincially approved agency that is listed in a schedule to an agreement shall be deemed to have been so listed as of any specified day before the agreement is made; and

(*d*) shall contain such other terms and conditions as the Minister and the province may agree upon or as the regulations may require.

Undertakings by provinces.

(2) An agreement shall provide that the province

(*a*) will provide financial aid or other assistance to or in respect of any person in the province who is a person in need described in subparagraph (i) of paragraph (*g*) of section 2, in an amount or manner that takes into account his basic requirements;

(*b*) will, in determining whether a person is a person described in paragraph (*a*) and the assistance to be provided to such person, take into account such person's budgetary requirements and the income and resources available to him to meet them;

(*c*) will continue, as may be necessary and expedient, the development and extension of welfare services in the province;

(*d*) will not require a period of residence in the province as a condition of eligibility for assistance or for the receipt or continued receipt thereof;

(*e*) will ensure the provision by law, not later than one year from the effective date of the agreement, of a procedure for appeals from decisions of provincially approved agencies with respect to applications for assistance or the granting or providing of assistance by persons directly affected by such decisions;

(*f*) will ensure the maintenance and availability, for examination and audit by the Minister or any person designated by him, of such records and accounts respecting the provision of assistance and welfare services in the province as the agreement or the regulations may require; and

(*g*) will provide the Minister with copies of all Acts of the legislature of the province referred to in paragraph (*j*) of section 2 and of all regulations made under those Acts.

Undertakings by Canada.

(3) An agreement shall provide that Canada

(*a*) will pay to the province the contributions or advances on account thereof that Canada is authorized to pay to the province under this Act and the regulations;

(*b*) will make available to the province, from time to time, statistical and other general reports and studies prepared by or under the direction of the Minister relating to assistance or welfare services programs or to related programs; and

(*c*) at the request of the provincial authority, will make available to the province where feasible, through the facilities of the Department of National Health and Welfare, consultative services with respect to the development and operation of assistance and welfare services programs.

PAYMENT OF CONTRIBUTIONS.

Payment of contributions.

7. (1) Contributions or advances on account thereof shall be paid, upon the certificate of the Minister, by the Minister of Finance out of the Consolidated Revenue Fund at such times and in such manner as may be prescribed, but all such payments are subject to the conditions specified in this Part and in the regulations and to the observance of the agreements and undertakings contained in an agreement.

Costs incurred before April 1, 1966.

(2) No payment shall be made to a province under this Part in respect of any cost incurred before April 1, 1966.

OPERATION OF AGREEMENTS.

Duration of agreements.

8. (1) Every agreement shall continue in force so long as the provincial law remains in operation.

Amendments and termination.

(2) Notwithstanding subsection (1),

(*a*) an agreement may, with the approval of the Governor in Council, be amended or terminated at any time by mutual consent of the Minister and the province;

(*b*) any schedule to an agreement may be amended at any time by mutual consent of the Minister and the province;

(*c*) the province may at any time give to Canada notice of intention to terminate an agreement; and

(*d*) Canada may, at any time on or after the 31st day of March, 1969, give to the province notice of intention to terminate an agreement;

and, where notice of intention to terminate is given in accordance with paragraph (*c*) or (*d*), the agreement shall cease to be effective for any period after the day fixed in the notice or for any period after the expiration of one year from the day upon which the notice is given, whichever is the later.

REGULATIONS.

Regulations.

9. (1) The Governor in Council may make regulations providing for any matters concerning which he deems regulations are necessary to carry out the purposes and provisions of this Part and, without limiting the generality of the foregoing, may make regulations

(*a*) for the administration of this Part and of agreements;

(*b*) prescribing or defining anything that by section 2 or this Part is to be prescribed or defined by regulation;

(*c*) defining the expressions "personal requirements", "budgetary requirements", "community development services", "wholly or mainly in the performance of welfare services functions" and "positions filled after March 31, 1965";

(*d*) for the purposes of section 5 or any of the provisions of that section, defining the expression "cost to the province and to municipalities in the province" and prescribing the manner in which such cost is to be determined;

(*e*) for the purposes of clause (B) of subparagraph (i) of paragraph (*b*) of subsection (1) of section 5, defining the expressions "cost to the province" and "cost to municipalities in the province" and prescribing the manner in which such costs are to be determined;

(*f*) adapting, modifying or extending, for the purposes of clause (B) of subparagraph (i) of paragraph (*b*) of subsection (1) of section 5 and either generally or in respect of a particular province, the definitions of "welfare services" and "welfare services provided in the province" as set out in paragraphs (*m*) and (*n*) respectively of section 2; and

(*g*) respecting the payment to a province of advances on account of any amount that may become payable to the province pursuant to this Part, the adjustment of other payments by reason of such advances and the recovery of overpayments.

Alteration of regulations.

(2) No regulation that has the effect of altering any of the agreements or undertakings contained in an agreement entered into under this Part with a province, or that affects the method of payment or amount of payments thereunder, shall be effective in respect of that province unless the province has consented to the making of such regulation.

PART II.

INDIAN WELFARE.

Definitions "Band", "council", "Indian" and "reserve."

10. In this Part,

(*a*) the words "band", "council", "Indian" and "reserve" have the same meaning as in the *Indian Act;*

"Indian to whom this Part applies."

(*b*) "Indian to whom this Part applies" in relation to any province means an Indian

(i) who is resident on a reserve in the province,

(ii) who is resident on land in the province the legal title to which is vested in Her Majesty or on land in any territory in the province that is without municipal organization, or

(iii) who is resident in the province and is designated by the Minister charged with the administration of the *Indian Act* as an Indian to whom this Part applies,

but does not include an Indian who is designated in or under an agreement entered into with the province pursuant to section 11 as an Indian to whom this Part does not apply; and

"Provincial welfare program."

(*c*) "provincial welfare program" means a welfare program administered by the province, by a municipality in the province or privately, to which public money of the province is or may be contributed and that is applicable or available generally to residents of the province.

Agreements authorized.

11. (1) The Minister and the Minister charged with the administration of the *Indian Act* may, with the approval of the Governor in Council, enter into an agreement with a province with respect to the extension of provincial welfare programs to Indians to whom this Part applies and for the payment by Canada to the province of any portion of the cost to the province of extending provincial welfare programs to such Indians.

Consent of council of Indian band required.

(2) An agreement entered into under subsection (1) shall provide for the extension of a provincial welfare program to a member of an Indian band who ordinarily resides with that band, only with the consent of the council of that band signified in such manner as may be prescribed by the Governor in Council.

Payments to provinces.

12. (1) Where an agreement has been entered into with a province pursuant to section 11, the Minister of Finance shall, upon the certificate of the Minister, pay to the province out of the Consolidated Revenue Fund, when and in the manner required by the agreement, such amounts as are required to fulfil the obligations of Canada to the province under the agreement, but all such payments are subject to the observation of the agreements and undertakings contained in the agreement.

Costs incurred before April 1, 1966.

(2) No payment shall be made to a province under this Part in respect of any cost incurred before April 1, 1966.

Where no agreement in effect.

13. Where, in the case of any province, no agreement is in effect pursuant to section 11, nothing in an agreement entered into with the province under Part I shall be construed to require the provision of assistance or welfare services to or in respect of any Indian to whom this Part applies.

PART III.

WORK ACTIVITY PROJECTS.

Definitions.

14. In this Part,

"Work activity project."

(*a*) "work activity project" means a project the purpose of which is to prepare for entry or return to employment, persons in need or likely to become persons in need who, because of environmental, personal or family reasons, have unusual difficulty in obtaining or holding employment or in improving, through participation in technical or vocational training programs or rehabilitation programs, their ability to obtain or hold employment; and

"Participant."

(*b*) "participant" means any person described in paragraph (*a*) who takes part in a work activity project.

Agreements authorized.

15. (1) Subject to this Part, the Minister may, after consultation with the Minister of Manpower and Immigration and with the approval of the Governor in Council, enter into an agreement with any province with which an agreement under Part I is in effect, to provide for the payment by Canada to the province of an amount equal to fifty per cent of the cost of a work activity project undertaken in the province.

"Cost" defined.

(2) In this section, "cost" of a work activity project means the cost to the province and to municipalities in the province of

(*a*) salaries, wages or other remuneration paid to persons for services performed with respect to the operation or maintenance of the work activity project,

(*b*) travelling and living expenses paid to persons performing services away from their ordinary places of residence with respect to the operation or maintenance of the work activity project, and

(*c*) allowances paid to participants,

but does not include any cost that Canada has shared or is required to share in any manner with the province pursuant to Part II.

Provisions to be included in agreements.

(3) Every agreement made pursuant to this section shall

(*a*) provide that no person shall be denied assistance because he refuses or has refused to take part in a work activity project;

(*b*) provide that welfare services shall be made available as required to participants;

(*c*) provide that allowances may be paid to participants;

(*d*) provide that a participant shall be eligible for assistance if, notwithstanding any allowance that he receives as a participant, he is a person in need;

(*e*) specify the agency that shall be responsible for the undertaking, operation or maintenance of any work activity project or of any part thereof; and

(*f*) contain such other terms and conditions as the regulations may require.

Payments to provinces.

16. (1) Where an agreement has been entered into with a province pursuant to section 15, the Minister of Finance shall, upon the certificate of the Minister, pay to to the province out of the Consolidated Revenue Fund, at such times and in such manner as may be prescribed by the regulations or the agreement, such amounts as are required to fulfil the obligations of Canada to the province under the agreement, but all such payments are subject to the conditions specified in this Part and in the regulations and to the observance of the agreements and undertakings contained in the agreement.

Costs incurred before April 1, 1966.

(2) No payment shall be made to a province under this Part in respect of any cost incurred before April 1, 1966.

Regulations.

17. The Governor in Council may, on the joint recommendation of the Minister and the Minister of Manpower and Immigration, make regulations providing for any matters concerning which he deems regulations are necessary to carry out the purposes and provisions of this Part.

PART IV.

GENERAL.

Inclusion of Mothers' Allowances for Purposes of Unemployment Assistance Act.

Definitions.

18. (1) In this section, the "said Act" means the *Unemployment Assistance Act* and all other words and expressions have the same meaning as in that Act.

Inclusion of mothers' allowances.

(2) Where a province with which an agreement has been made under the said Act gives notice in writing to the Minister that it desires that payments made to persons after March 31, 1966 by way of mothers' allowances be included in unemployment assistance costs for the purposes of the said Act and the agreement, the said Act shall be read and construed, in respect of the agreement with that province, as though

(*a*) paragraph (*c*) of subsection (2) of section 4 thereof, and

(*b*) subparagraph (*c*) of paragraph 1, subparagraph (*c*) of paragraph 7 and paragraphs 10, 11 and 12 of the agreement set out in the Schedule thereto

ceased to have effect on that date, and the agreement with that province shall be construed as though all provisions thereof based on the provisions specified in paragraphs (*a*) and (*b*) ceased to have effect on that date.

Revised reimbursement claim.

(3) A province that has given notice under subsection (2) shall, with respect to each month after March 31, 1966 for which it has submitted a reimbursement claim before the coming into force of this Act, submit a revised reimbursement claim showing for each such month the information that the reimbursement claim for each such month would have been required to contain had it been based on the reading and construction of the said Act and the agreement with that province that is required by subsection (2).

Supplementary payment.

(4) Upon the receipt, from a province that has given notice under subsection (2), of a revised reimbursement claim for a month prepared as required by subsection (3), Canada shall pay to the province fifty per cent of the amount by which such revised reimbursement claim exceeds the reimbursement claim submitted by the province for that month.

EXPLANATORY NOTES.

Clause 18: Paragraph (*c*) of subsection (2) of section 4 of the *Unemployment Assistance Act* excludes payments by the provinces by way of mothers' allowances from unemployment assistance costs shareable by Canada under that Act. Paragraphs 10, 11 and 12 of the agreement set out in the Schedule to that Act have the effect of excluding such payments from shareable unemployment assistance costs whether they continue to be made by the provinces under mothers' allowances legislation or are made instead under other assistance legislation of the provinces. The purpose of this clause is to permit, as of April 1, 1966, the sharing of mothers' allowances costs under the *Unemployment Assistance Act* regardless of the legislation of the province under which they are incurred.

The relevant portion of subsection (2) of section 4 of the said Act at present reads as follows:

"(2) Except as provided in subsection (3), an agreement shall, for the purposes of this Act, exclude from unemployment assistance costs

(*c*) payments made to persons by way of mothers' allowance;"

Subparagraph (*c*) of paragraph 1 of the Schedule to the said Act at present reads as follows:

"(*c*) "a recipient of mother's allowance" includes

(i) a dependent child of a person receiving a mother's allowance if such child is within the age group for whom provision is made under the law of the province that provides for the payment of mother's allowances; and

(ii) the husband of a person receiving a mother's allowance if an allowance is being paid on his behalf under the law of the province that provides for the payment of mothers' allowances."

The relevant portion of paragraph 7 of the Schedule to the said Act at present reads as follows:

"**7.** There shall be excluded from the reimbursement claim any person, together with any payment made to or on behalf of such person, who is

(*c*) a recipient of mothers' allowance."

Paragraphs 10, 11 and 12 of the Schedule to the said Act at present read as follows:

"**10.** There shall be deducted from the reimbursement claim an amount calculated by multiplying the average per person monthly cost of assistance by the decrease in the number of recipients of mothers' allowances.

11. The average per person monthly cost of assistance shall be calculated by dividing the total of the payments made during the month, as set forth in the reimbursement claim, by the total number of persons, including dependants, who received assistance during the said month as set forth in the reimbursement claim.

12. For the purpose of paragraph 10, the decrease in the number of recipients of mothers' allowances shall be calculated as follows:

(*a*) the average monthly percentage of the population of the province who were recipients of mother's allowance during each twelve-month period from the first day of July 1945, to the thirtieth day of June prior to the month to which the reimbursement claim relates shall be determined, and in determining these percentages the latest estimate made by the Dominion Bureau of Statistics and published by the Queen's Printer at Ottawa of the population of the province on the first day of June or nearest date thereto in each twelve-month period shall be used;

EXTENSION OF ESTABLISHED PROGRAMS (INTERIM ARRANGEMENTS) ACT TO CANADA ASSISTANCE PLAN.

Application of section.

19. (1) This section applies only to a province that had before the coming into force of this Act entered into a supplementary agreement under the *Established Programs (Interim Arrangements) Act* (hereinafter in this section referred to as the "said Act"), in relation to the special welfare program referred to in that Act.

Statutory amendments.

(2) For any period before April 1, 1970 to which an agreement under Part I with a province to which this section applies extends, the said Act shall, in respect of the special welfare program referred to in that Act and in respect of that province only, be deemed to be amended as follows:

(*a*) section 5 of the said Act shall be deemed not to apply;

(*b*) paragraph (*b*) of subsection (2) of section 6 of the said Act shall be deemed to read as follows:

"(*b*) four units in the case of the special welfare program;"; and

(*c*) for the purposes of sections 6 to 9 of the said Act, paragraph 2 of Schedule I thereof shall be deemed to contain, as subparagraph (*e*) thereof, a reference to "assistance and welfare services under the *Canada Assistance Plan*".

Limitation on obligation to make contribution or payment.

(3) Notwithstanding any provision of Part I, an agreement under that Part with a province to which this section applies shall provide that Canada is under no obligation to make any contribution or payment to the province by reason of the provisions of that Part or the agreement in respect of any period before April 1, 1970, except as provided by the said Act as it is deemed to be amended by subsection (2).

REPORT TO PARLIAMENT.

Annual report.

20. The Minister shall, as soon as possible after the end of each year, prepare a report respecting the operation for that year of the agreements made under this Act and the payments made to the provinces under each of the agreements, and shall cause such report to be laid before Parliament forthwith upon the completion thereof if Parliament is then sitting, or if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

(*b*) the average monthly percentage determined for the twelve-month period ending the thirtieth day of June immediately preceding the month to which the reimbursement claim relates shall be subtracted from the highest percentage ascertained pursuant to sub-paragraph (*a*) of this paragraph in respect of any other twelve-month period;

(*c*) from the difference ascertained pursuant to sub-paragraph (*b*) of this paragraph there shall be subtracted .10 per cent;

(*d*) the difference ascertained pursuant to sub-paragraph (*c*) of this paragraph shall be multiplied by the population; and

(*e*) in the event that the calculation in sub-paragraph (*c*) of this paragraph results in a negative quantity, paragraph 10 shall have no application."

Clause 19: The purpose of this clause is to permit a province that has entered into a supplementary agreement under the *Established Programs (Interim Arrangements) Act* wholly to administer and finance its program of assistance and welfare services operated in accordance with the provisions of the *Canada Assistance Plan.*

Section 5 of the said Act at present reads as follows:

"**5.** (1) All that portion of the unemployment assistance program referred to in subparagraph (*d*) of paragraph (2) of Schedule I that does not constitute the welfare portion of that program shall, for the purposes of this Act, be presumed to be carried out as a separate program not coming within the purview of this Act.

(2) The welfare portion of the unemployment assistance program shall, for the purposes of this section, be deemed to be that portion of the cost of unemployment assistance paid in a province in an operating year that equals the aggregate of

(*a*) the amount of the yield, as determined by the Minister of Finance in respect of the calendar year that is referable to that operating year, of the additional tax abatement applicable in respect of that program in that province pursuant to subparagraph (ii) of paragraph (*b*) of subsection (2) of section 6, and

(*b*) the amount of any tax equalization payment made under section 7 to the province for that program in respect of the calendar year mentioned in paragraph (*a*)."

The relevant portion of subsection (2) of section 6 of of the said Act at present reads as follows:

"(2) The number of units that apply to a standing program are as follows:

....

(*b*) four units in the case of the special welfare program, being

(i) two units for the programs referred to in subparagraphs (*a*) to (*c*) of paragraph 2 of Schedule I, and

(ii) two units for the program referred to in subparagraph (*d*) of paragraph 2 of Schedule I;"

Paragraph 2 of Schedule I to the said Act at present reads as follows:

"**2.** (*a*) Old age assistance under the *Old Age Assistance Act.*

(*b*) Blind persons allowances under the *Blind Persons Act.*

(*c*) Disabled persons allowances under the *Disabled Persons Act.*

(*d*) Unemployment assistance under the *Unemployment Assistance Act.*

} 1 April 1965 to 31 March 1970"

PART V.

AMENDMENTS TO OTHER ACTS.

R.S., c. 199; 1957-58, c. 6; 1962, c. 4; 1963, c. 26. 1963, c. 26, s. 1(2).

Amendments to Old Age Assistance Act.

21. Subsection (2) of section 3 of the *Old Age Assistance Act* is amended by striking out the word "and" at the end of paragraph (*b*) thereof and by adding thereto the following paragraphs:

"(*d*) has made application on or before the date specified in a notice given by the province as described in subsection (3) or (7) of section 9; and

(*e*) is not a person whose assistance has at any time been discontinued by the province pursuant to subsection (5) of section 9."

22. Section 9 of the said Act is amended by adding thereto the following subsections:

Province may give notice.

"(3) Notwithstanding subparagraph (i) of paragraph (*d*) of section 7, at any time after a province that is party to an agreement has entered into or stated in a written notice to the Minister that it intends to enter into an agreement under section 4 of the *Canada Assistance Plan*, the province may give notice in writing to the Minister that, after a date specified in the notice, the provincial authority will not consider applications made after the specified date.

Provisions inapplicable and agreement deemed amended.

(4) Where a notice as described in subsection (3) has been given by a province, subparagraph (i) of paragraph (*d*) of section 7 shall not apply to that province in respect of applications made after the date specified in the notice and the agreement with the province shall be deemed to be so amended.

Province may discontinue payment of assistance.

(5) Subject to subsection (6), but notwithstanding any other provision of this Act, the regulations or an agreement, the province may discontinue payment of assistance to a recipient who is properly and lawfully entitled thereto, if the province has entered into an agreement under section 4 of the *Canada Assistance Plan* and the recipient is granted comparable assistance in accordance with that agreement at or before the time of the discontinuance.

Undertaking to grant comparable assistance.

(6) A province shall not discontinue the payment of assistance to recipients pursuant to subsection (5) unless, before such discontinuance, the province, by notice in writing to the Minister, has undertaken that

Clauses 21 and 22: Subparagraph (i) of paragraph (*d*) of section 7 of the *Old Age Assistance Act* requires a province that is a party to an agreement under that Act to consider applications from persons resident in the province and to grant assistance thereunder to applicants when the provincial authority is satisfied that they are properly and lawfully entitled to it. The purpose of these clauses is to permit such a province, without being in breach of the agreement, to refuse to consider new applications under the *Old Age Assistance Act* after a specified date and, if the province has entered into an agreement under section 4 of the *Canada Assistance Plan*, to permit it to discontinue payment of assistance under the former Act if it has, by written notice to Canada, undertaken to grant comparable assistance to the recipients in accordance with the agreement with Canada under section 4 of the *Canada Assistance Plan*.

The relevant portion of section 7 of the *Old Age Assistance Act* at present reads as follows:

"7. In every agreement the province shall, subject to section 3,

.....

(*d*) covenant and agree

(i) that the provincial authority will consider applications from persons resident in the province in the manner prescribed by regulation, and where satisfied that a recipient is properly and lawfully entitled to assistance, under the conditions specified in this Act, the regulations and the agreement, grant assistance to such recipient in the amount specified in the agreement;"

in the event of such discontinuance it will grant comparable assistance to the recipients as contemplated by subsection (5).

Where province has given public notice.

(7) Where a province that is party to an agreement

(*a*) has at any time before April 1, 1967 entered into or stated in a written notice to the Minister that it intends to enter into an agreement under section 4 of the *Canada Assistance Plan*, and

(*b*) between March 31, 1966 and the day on which the *Canada Assistance Plan* came into force, gave public notice of its intention not to consider applications after a specified date,

this Act and the agreement with that province shall be construed as though any provisions thereof that require the province to consider applications from persons resident in the province ceased to apply to that province as of the specified date."

R.S., c. 17; 1955, c. 26; 1957-58, c. 4; 1962, c. 2; 1963, c. 26.

AMENDMENTS TO BLIND PERSONS ACT.

1963, c. 26, s. 3(2).

23. Subsection (2) of section 3 of the *Blind Persons Act* is amended by striking out the word "and" at the end of paragraph (*b*) thereof and by adding thereto the following paragraphs:

"(*d*) has made application on or before the date specified in a notice given by the province as described in subsection (3) or (7) of section 9; and

(*e*) is not a person whose allowance has at any time been discontinued by the province pursuant to subsection (5) of section 9."

24. Section 9 of the said Act is amended by adding thereto the following subsections:

Province may give notice.

"(3) Notwithstanding subparagraph (i) of paragraph (*c*) of section 7, at any time after a province that is party to an agreement has entered into or stated in a written notice to the Minister that it intends to enter into an agreement under section 4 of the *Canada Assistance Plan*, the province may give notice in writing to the Minister that, after a date specified in the notice, the provincial authority will not consider applications made after the specified date.

Provisions inapplicable and agreement deemed amended.

(4) Where a notice as described in subsection (3) has been given by a province, subparagraph (i) of paragraph (*c*) of section 7 shall not apply to that province in respect of applications made after the date specified in the notice and the agreement with the province shall be deemed to be so amended.

Clauses 23 and 24: Subparagraph (i) of paragraph (*c*) of section 7 of the *Blind Persons Act* requires a province that is a party to an agreement under that Act to consider applications from persons resident in the province and to grant allowances thereunder to applicants when the provincial authority is satisfied that they are properly and lawfully entitled to them. The purpose of these clauses is to permit such a province, without being in breach of the agreement, to refuse to consider new applications under the *Blind Persons Act* after a specified date and, if the province has entered into an agreement under section 4 of the *Canada Assistance Plan*, to permit it to discontinue payment of allowances under the former Act if it has, by written notice to Canada, undertaken to grant comparable assistance to the recipients in accordance with the agreement with Canada under section 4 of the *Canada Assistance Plan*.

The relevant portion of section 7 of the *Blind Persons Act* at present reads as follows:

"7. In every agreement the province shall, subject to section 3,

.....

(*c*) covenant and agree

(i) that the provincial authority will consider applications from persons resident in the province in the manner prescribed by regulation, and where satisfied that a recipient is properly and lawfully entitled to the allowance, under the conditions specified in this Act, the regulations and the agreement, grant the allowance to such recipient in the amount specified in the agreement;"

Province may discontinue payment of assistance.

(5) Subject to subsection (6), but notwithstanding any other provision of this Act, the regulations or an agreement, the province may discontinue payment of an allowance to a recipient who is properly and lawfully entitled thereto, if the province has entered into an agreement under section 4 of the *Canada Assistance Plan* and the recipient is granted comparable assistance in accordance with that agreement at or before the time of the discontinuance.

Undertaking to grant comparable assistance.

(6) A province shall not discontinue the payment of allowances to recipients pursuant to subsection (5) unless, before such discontinuance, the province, by notice in writing to the Minister, has undertaken that in the event of such discontinuance it will grant comparable assistance to the recipients as contemplated by subsection (5).

Where province has given public notice.

(7) Where a province that is party to an agreement

(*a*) has at any time before April 1, 1967 entered into or stated in a written notice to the Minister that it intends to enter into an agreement under section 4 of the *Canada Assistance Plan*, and

(*b*) between March 31, 1966 and the day on which the *Canada Assistance Plan* came into force, gave public notice of its intention not to consider applications after a specified date,

this Act and the agreement with that province shall be construed as though any provisions thereof that require the province to consider applications from persons resident in the province ceased to apply to that province as of the specified date."

1953–54, c. 55; 1957–58, c. 5; 1962, c. 3; 1963, c. 26. 1963, c. 26, s. 2(2).

AMENDMENTS TO DISABLED PERSONS ACT.

25. Subsection (2) of section 3 of the *Disabled Persons Act* is amended by striking out the word "and" at the end of paragraph (*f*) thereof and by adding thereto the following paragraphs:

"(*h*) has made application on or before the date specified in a notice given by the province as described in subsection (3) or (7) of section 9; and

(*i*) is not a person whose allowance has at any time been discontinued by the province pursuant to subsection (5) of section 9."

26. Section 9 of the said Act is amended by adding thereto the following subsections:

Province may give notice.

"(3) Notwithstanding subparagraph (i) of paragraph (*d*) of section 7, at any time after a province that is party to an agreement has entered into or stated in a written notice to the Minister that it intends to enter

Clauses 25 and 26: Subparagraph (i) of paragraph (*d*) of section 7 of the *Disabled Persons Act* requires a province that is a party to an agreement under that Act to consider applications from persons resident in the province and to grant allowances thereunder to applicants when the provincial authority is satisfied that they are properly and lawfully entitled to them. The purpose of these clauses is to permit such a province, without being in breach of the agreement, to refuse to consider new applications under the *Disabled Persons Act* after a specified date and, if the province has entered into an agreement under section 4 of the *Canada Assistance Plan*, to permit it to discontinue payment of allowances under the former Act if it has, by written notice to Canada, undertaken to grant comparable assistance to the recipients in accordance with the agreement with Canada under section 4 of the *Canada Assistance Plan*.

The relevant portion of section 7 of the *Disabled Persons Act* at present reads as follows:

"7. In every agreement the province shall, subject to section 3,

.....

(*d*) covenant and agree

(i) that the provincial authority will consider applications from persons resident in the province in the manner prescribed by regulation, and where satisfied that a recipient is properly and lawfully entitled to the allowance, under the conditions specified in this Act, the regulations and the agreement, grant the allowance to such recipient in the amount specified in the agreement;"

into an agreement under section 4 of the *Canada Assistance Plan*, the province may give notice in writing to the Minister that, after a date specified in the notice, the provincial authority will not consider applications made after the specified date.

Provisions inapplicable and agreement deemed amended.

(4) Where a notice as described in subsection (3) has been given by a province, subparagraph (i) of paragraph (*d*) of section 7 shall not apply to that province in respect of applications made after the date specified in the notice and the agreement with the province shall be deemed to be so amended.

Province may discontinue payment of assistance.

(5) Subject to subsection (6), but notwithstanding any other provision of this Act, the regulations or an agreement, the province may discontinue payment of an allowance to a recipient who is properly and lawfully entitled thereto, if the province has entered into an agreement under section 4 of the *Canada Assistance Plan* and the recipient is granted comparable assistance in accordance with that agreement at or before the time of the discontinuance.

Undertaking to grant comparable assistance.

(6) A province shall not discontinue the payment of allowances to recipients pursuant to subsection (5) unless, before such discontinuance, the province, by notice in writing to the Minister, has undertaken that in the event of such discontinuance it will grant comparable assistance to the recipients as contemplated by subsection (5).

Where province has given public notice.

(7) Where a province that is party to an agreement

(*a*) has at any time before April 1, 1967 entered into or stated in a written notice to the Minister that it intends to enter into an agreement under section 4 of the *Canada Assistance Plan*, and

(*b*) between March 31, 1966 and the day on which the *Canada Assistance Plan* came into force, gave public notice of its intention not to consider applications after a specified date,

this Act and the agreement with that province shall be construed as though any provisions thereof that require the province to consider applications from persons resident in the province ceased to apply to that province as of the specified date."

C-208.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-208.

An Act to amend the Crop Insurance Act.

First reading, June 21, 1966.

THE MINISTER OF AGRICULTURE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24507

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-208.

An Act to amend the Crop Insurance Act.

1959, c. 42; 1964, c. 28.

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

1. Subparagraph (ii) of paragraph (*b*) of subsection (1) of section 4 of the *Crop Insurance Act* is repealed and the following substituted therefor:

"(ii) twenty-five per cent of the premiums paid in respect of policies of insurance in that year."

1964, c. 28, s. 2.

2. (1) Paragraph (*a*) of subsection (1) of section 4B of the said Act is repealed and the following substituted therefor:

"(*a*) the premium receipts for the year minus any moneys paid by the province for the purpose of reinsurance for that year;"

1964, c. 28; s. 2.

(2) Paragraph (*a*) of subsection (2) of section 4B of the said Act is repealed and the following substituted therefor:

"(*a*) the premium receipts for the year minus any moneys paid by the province for the purpose of reinsurance for that year; and"

Explanatory Notes.

Clause 1. Where a province has undertaken to pay a share of the premiums payable under a crop insurance scheme, the maximum contribution payable by Canada under the Act in respect of those premiums is twenty per cent of the total premiums paid in respect of policies issued in that year. The purpose of this amendment is to increase the maximum contribution payable by Canada to twenty-five per cent.

Clause 2. At present, in calculating the total amounts that may be paid to a province claiming under the re-insurance provisions of the Act there is required to be deducted certain amounts including the premium receipts of the province for that year. The purpose of these amendments is to provide that there may be deducted from those premium receipts any moneys paid by the province for the purpose of reinsurance for that year.

3. (1) Subparagraph (iv) of paragraph (*a*) of subsection (1) of section 5 of the said Act is repealed and the following substituted therefor:

"(iv) the amount of the insurance to be effected on any crop in any area or on any farm in any area, which shall not exceed eighty per cent of the average yield of the crop in the area or on the farm, whichever is the greater,"

(2) Subsection (1) of section 5 of the said Act is further amended by adding thereto, immediately after paragraph (*f*) thereof, the following paragraph:

"(*fa*) specify the manner in which the province will inform each person to whom a policy of crop insurance is issued of Canada's participation in the insurance scheme under which the policy is issued;"

4. The said Act is further amended by adding thereto, immediately after section 5 thereof, the following heading and section:

"EXTENDED COVERAGE.

Definition of "extended coverage."

5A. (1) In this section, "extended coverage" means insurance against

(*a*) loss arising from the destruction in whole or in part of stands of fruit trees or perennial plants other than trees; or

(*b*) loss arising when the seeding of summer-fallowed land intended to be used to grow an insured crop is prevented by excess ground moisture, weather or other agricultural hazards.

Agreement to extend coverage.

(2) Where the Minister enters or has entered into an agreement under section 3 with any province operating an insurance scheme that includes extended coverage, the Minister may, subject to any regulations made by the Governor in Council, agree to the payment by Canada to that province of contributions in respect of that extended coverage on the same basis as contributions are payable under subsection (1) of section (4) in respect of an insurance scheme.

Clause 3. (1) The relevant portion of the section being amended at present reads as follows:

"5. (1) An agreement shall

(*a*) specify the terms and conditions of the insurance scheme, including

. . . .

(iv) the amount of the insurance to be effected on any crop in any area, which shall not exceed *sixty* per cent of the *long-term* average yield of the crop in the area,"

The purpose of this amendment is to increase the maximum amount of the insurance that may be effected on any crop to eighty per cent of the average yield of the crop in any area to which the scheme extends or on any farm in that area, whichever is the greater.

(2) The purpose of this amendment is to provide that a province receiving contributions under the Act in respect of a crop insurance scheme operated by that province will inform each person insured under the scheme of Canada's participation in the scheme.

Clause 4. New. The purpose of this amendment is to authorize the making of contributions to a province providing insurance coverage against losses arising from the destruction of fruit trees or perennial plants or losses arising when the seeding of summer-fallowed land intended to be used to grow an insured crop is prevented by excess ground moisture, weather or other agricultural hazards. Contributions under this provision may be paid on the same basis as contributions payable under the Act in respect of a crop insurance scheme.

Contents of agreement.

(3) An agreement entered into under subsection (2) shall

(*a*) specify the area or areas in the province to which the extended coverage applies, the nature of the losses insured against by the extended coverage, the fruit trees or perennial plants to which the agreement relates, and the manner of ascertaining and determining the losses insured against by the extended coverage to which the agreement relates;

(*b*) specify the amount of insurance to be effected under the extended coverage to which the agreement relates which shall not exceed,

(i) in the case of a loss described in paragraph (*a*) of subsection (1), eighty per cent of the average cost of replacement of the fruit trees or perennial plants destroyed, and

(ii) in the case of a loss described in paragraph (*b*) of subsection (1), eighty per cent of the average cost of summer-fallowing the land; and

(*c*) contain such other terms, conditions and provisions with respect to matters referred to in subsection (1) of section 5 or otherwise as the Minister considers appropriate."

5. Paragraph (*b*) of subsection (1) of section 6 of the said Act is repealed and the following substituted therefor:

"(*b*) for calculating and determining the average yield of any insured crops in any area or on any farm in an area;

(*ba*) for calculating and determining the average cost of replacement of fruit trees and perennial plants to which an agreement under section 5A applies, and the average cost of summer-fallowing to which an agreement under section 5A applies;"

Clause 5. The amendments contained in this clause are consequential on the amendments contained in clauses 3 and 4.

C-209.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-209.

An Act to amend the Criminal Code
(Desecration of the National Flag of Canada).

First reading, June 22, 1966.

Mr. LAFLAMME.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24435

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

1953-54, cc. 51, 52; 1955, cc. 2, 45; 1956, c. 48, ss. 19, 20; 1957-58, c. 28; 1958, c. 18; 1959, cc. 40, 41; 1960, c. 37 and c. 45, s. 21; 1960-61, cc. 21, 42, 43, 44; 1962-63, c. 4; 1963, c. 8; 1964-65, c. 22, s. 10 and cc. 35, 53.

BILL C-209.

An Act to amend the Criminal Code (Desecration of the National Flag of Canada).

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

1. The *Criminal Code* is amended by inserting immediately after section 62 thereof the following:

Desecration of the National Flag of Canada.

"**62A.** Every one who fails to pay proper respect to, causes damage to, destroys, alters, defaces or desecrates the National Flag of Canada or a recognized national symbol of Canada, is guilty of an indictable offence or an offence punishable on summary conviction and is liable to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding three months, or to both fine and imprisonment."

Explanatory Notes.

The purpose of this Bill is to provide that every one who fails to pay proper respect to or who desecrates the National Flag of Canada is guilty of an indictable offence or an offence punishable on summary conviction.

This Bill provides also for a similar punishment in the case of the desecration of any recognized national symbol of Canada.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-210.

An Act respecting the construction by Canadian National Railway Company of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that Province, and of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said Railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province.

First reading, June 23, 1966.

THE MINISTER OF TRANSPORT.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24563

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-210.

An Act respecting the construction by Canadian National Railway Company of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that Province, and of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said Railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province.

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

Definitions.

"Branch Line Number 1."

"Branch Line Number 2."

"Railway Company."

1. In this Act,

(*a*) "Branch Line Number 1" refers to the branch line described in Part I of the Schedule;

(*b*) "Branch Line Number 2" refers to the branch line described in Part II of the Schedule; and

(*c*) "Railway Company" means the Canadian National Railway Company.

Construction and completion.

2. The Governor in Council may provide for the construction and completion, in whole or in part, by Canadian National Railway Company prior to the 31st day of December, 1968, or such later date as the Governor in Council may fix, of either or both of the lines of railway described in Parts I and II of the Schedule, collectively referred to in this Act as the "railway lines".

Competitive bids or tenders.

3. The Railway Company shall adopt the principle of competitive bids or tenders in respect of the construction of Branch Line Number 1 and Branch Line Number 2 in so far as the Railway Company decides not to perform such work or any part thereof with its own forces, but the Railway Company is not bound to accept the lowest or any bid or tender made or obtained nor precluded from negotiating for better prices or terms.

Maximum expenditures.

4. Respective estimates of the mileages of the railway lines, the amounts to be expended on the construction thereof and the average expenditures per mile are set out in the Schedule, and, except with the approval of the Governor in Council, the Railway Company shall not in performing the work of construction and completion exceed such estimates by more than fifteen per cent.

Issue of securities.

5. Subject to this Act and the approval of the Governor in Council, the Railway Company may, in respect of the cost of the construction and completion of the railway lines, or to provide amounts required for the repayment of loans made under section 6, issue notes, obligations, bonds, debentures or other securities (in this Act called "securities"), not exceeding in the aggregate, exclusive of any securities issued to secure loans made under section 6, the sum of one million eight hundred and forty thousand dollars in respect of Branch Line Number 1 and the sum of two million and seventy thousand dollars in respect of Branch Line Number 2, bearing such rates of interest and subject to such other terms and conditions as the Governor in Council may approve.

Temporary loans.

6. To enable the work of construction and completion of the railway lines, or either of them, to proceed forthwith, the Minister of Finance, upon application made to him by the Railway Company and approved by the Minister of Transport, may, with the approval of the Governor in Council, make temporary loans to the Railway Company out of the Consolidated Revenue Fund not exceeding one million eight hundred and forty thousand dollars in respect of Branch Line Number 1 and not exceeding two million and seventy thousand dollars in respect of Branch Line Number 2, repayable on such terms and at such rates of interest as the Governor in Council may determine and secured by securities that the Railway Company is authorized to issue under section 5.

Guarantee.

7. (1) The Governor in Council may authorize the guarantee by Her Majesty in right of Canada of the principal and interest of the securities that the Railway Company may issue under this Act.

Forms and terms.

(2) The guarantee may be in such form and subject to such terms and conditions as the Governor in Council may determine to be appropriate and applicable thereto and may be signed on behalf of Her Majesty by the Minister of Finance or such other person as the Governor in Council may designate, and such signature is conclusive evidence for all purposes of the validity of the guarantee and that the provisions of this Act have been complied with.

Guarantees may be general or separate.

(3) Any guarantee under this Act may be either a general guarantee covering the total amount of the issue or a separate guarantee endorsed on each of the securities.

Temporary guarantees.

(4) With the approval of the Governor in Council, temporary guarantees may be made to be subsequently replaced by permanent guarantees.

Deposit of proceeds of sale, etc., of securities.

8. (1) The proceeds of any sale, pledge, or other disposition of any guaranteed securities shall in the first instance be paid into the Consolidated Revenue Fund or shall be deposited to the credit of the Minister of Finance in trust for the Railway Company, in one or more banks designated by him.

Release of deposits.

(2) The Board of Directors of the Railway Company may authorize application to be made to the Minister of Transport for the release of any part of the proceeds deposited pursuant to subsection (1) to the Railway Company for the purpose of meeting expenditures in respect of the construction of the respective railway lines, and the Minister of Transport may approve the applications, and upon the request of the Minister of Transport, the Minister of Finance may pay the amount or amounts of such applications or part thereof accordingly.

Report to Parliament.

9. The Minister of Transport shall present to Parliament during the first thirty days of each session held prior to the date of completion fixed by or under section 2, a statement showing in detail in respect of each of the railway lines, the nature and extent of the work done under the authority of this Act during the previous calendar year, and the expenditure thereon, and the estimated expenditure for the current calendar year, together with the amount of any advances made under section 6 and the amount of such advances reimbursed, and such further information as the Minister of Transport may direct.

SCHEDULE

(Section 2)

PART I: BRANCH LINE TO OSBORNE LAKE, MANITOBA.

Location	Estimates		
	Mileage	Cost of Construction	Average Cost Per Mile
From the vicinity of Stall Lake at the eastern end of the Chisel Lake subdivision of Canadian National Railways in a northeasterly direction to a point about 1 mile west of the north end of Osborne Lake in the Herb Lake Mining Division, The Pas Mining District, Province of Manitoba.....	12	$1,600,000	$133,333

PART II: BRANCH LINE TO GUERNSEY, SASKATCHEWAN.

Location	Estimates		
	Mileage	Cost of Construction	Average Cost Per Mile
From the vicinity of Watrous on the Watrous Subdivision of Canadian National Railways in a northeasterly direction to a point a short distance southwest of Guernsey in the Mining District of Regina, Province of Saskatchewan.....	18	$1,800,000	$100,000

C-211.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-211.

An Act to authorize the Minister of Finance to transfer to the Provinces a proportion of the income tax payable by certain public utility companies.

First reading, June 23, 1966.

THE MINISTER OF FINANCE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

23989

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-211.

An Act to authorize the Minister of Finance to transfer to the Provinces a proportion of the income tax payable by certain public utility companies.

HER 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 *Public Utilities Income Tax Transfer Act.*

INTERPRETATION.

Definitions. "Designated corporation."

2. (1) In this Act,

(*a*) "designated corporation" means a corporation whose gross revenue for a taxation year from

(i) the distribution and sale to the public in Canada, or the generation and sale in Canada for distribution to the public, of electrical energy or steam, or

(ii) the distribution and sale of gas to the public in Canada,

is more than one-half its total gross revenue other than exempt income for the taxation year;

"Distribution and sale to the public" and "generation and sale for distribution to the public."

(*b*) "distribution and sale to the public" and "generation and sale for distribution to the public" mean, respectively, distribution and sale or generation and sale

(i) to a person or persons with whom the vendor deals at arm's length, or

(ii) to a person or persons with whom the vendor does not deal at arm's length for resale directly or indirectly to persons with whom the vendor does deal at arm's length; and

"Minister."

(*c*) "Minister" means the Minister of National Revenue.

Words and expressions.

(2) Unless otherwise provided, words and expressions used in this Act have the same meaning as in the *Income Tax Act*.

Distribution of gas to the public in Canada.

(3) For the purposes of this Act,

(*a*) gross revenue of a corporation from the distribution and sale of gas

(i) in or from portable containers, or

(ii) to a person whose main use thereof is other than for heating and lighting purposes,

shall be deemed not to be gross revenue of the corporation from the distribution and sale of gas to the public; and

(*b*) a corporation shall be deemed not to have gross revenue for a taxation year from the distribution and sale of gas to the public in Canada if the corporation did not

(i) have at least one hundred different customers in Canada who consumed the gas distributed and sold to them by the corporation mainly for heating and lighting purposes, and

(ii) derive at least fifty per cent of its total gross revenue other than exempt income for the year from the distribution and sale of gas to such customers.

PAYMENTS TO PROVINCES.

Payments to provinces.

3. (1) The Minister of Finance may pay to a province out of the Consolidated Revenue Fund, at such time or times as he may determine, an amount determined by the Minister in accordance with subsection (2) in respect of the 1966 and each subsequent taxation year of a designated corporation carrying on business in the province.

Determination of amount.

(2) The amount that may be paid to a province under subsection (1) in respect of a taxation year of a designated corporation is 95% of that part of the income tax paid under Part I of the *Income Tax Act* by the corporation for the year that is attributable to its gross revenue for the year from

(*a*) the distribution and sale to the public in the province, or the generation and sale in the province for distribution to the public, of electrical energy or steam; or

(*b*) the distribution and sale of gas to the public in the province.

Tax attributable to gross revenue from sources.

(3) The part of the income tax paid under Part I of the *Income Tax Act* by a designated corporation for a taxation year that is attributable to its gross revenue for the year from

(*a*) the distribution and sale to the public in a province, or the generation and sale in a province for distribution to the public, of electrical energy or steam, or

(*b*) the distribution and sale of gas to the public in a province,

shall, for the purposes of this section, be deemed to be that proportion of the income tax paid under Part I of the *Income Tax Act*, by the corporation for the year that its gross revenue for the year from such distribution and sale or generation and sale in the province is of its total gross revenue, other than exempt income, for the year.

Amounts certified exempt from income tax.

4. Where a province certifies that an amount that is all or part of an amount paid to it under this Act has been paid or otherwise transferred or credited to a designated corporation for its own use and benefit, and certifies the amount that has been so paid or otherwise transferred or credited to the corporation, the amount so certified is exempt from income tax.

Allocation with respect to taxation year 1966.

5. Where part of the 1966 taxation year of a designated corporation is before January, 1966, the amount to be determined by the Minister in accordance with subsection (2) of section 3 in respect of the 1966 taxation year of the corporation is that part of the amount otherwise determined under subsection (2) of section 3 that

(*a*) the number of days in the taxation year that are after December, 1965

is of

(*b*) the number of days in the taxation year.

REGULATIONS.

Regulations.

6. The Governor in Council may make regulations

(*a*) prescribing rules for the determination of any matter to be determined by the Minister under this Act; and

(*b*) generally to carry out the purposes and provisions of this Act.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-212.

An Act to amend the Canada Grain Act
(Off-track Elevator Licensing).

First reading, June 27, 1966.

MR. HORNER (Acadia).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24515

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-212.

An Act to amend the Canada Grain Act
(Off-track Elevator Licensing).

R.S., cc. 25, 308; 1955, c. 9; 1962, c. 25; 1963, c. 41, s. 1.

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

1. Paragraph (11) of section 2 of the *Canada Grain Act* is repealed and the following substituted therefor:

"Elevator."

"(11) "elevator" means any premises into which western grain may be received, or out of which it may be discharged, and, notwithstanding anything contained in any other general or special Act, includes any such premises owned or operated by Her Majesty, either directly or through any individual, public body or company;"

Explanatory Notes.

The purpose of this Bill is to revise the definition of "elevator" in the *Canada Grain Act* so that an inland "elevator" is no longer restricted to premises serviced directly by a railway. The amendment thus authorizes the Board of Grain Commissioners to license premises that are off-track and serviced by other means of transportation.

The amended paragraph presently reads:

"(11) "elevator" means any premises into which western grain may be received, or out of which it may be discharged, *directly from or into railway cars or vessels*, and, notwithstanding anything contained in any other general or special Act, includes any such premises owned or operated by Her Majesty, either directly or through any individual, public body or company;"

C-213.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-213.

An Act to amend the Atlantic Development Board Act.

First reading, June 27, 1966.

The MINISTER OF TRANSPORT.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24531

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-213.

An Act to amend the Atlantic Development Board Act.

1962-63, c. 10; 1963, c. 5.

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

1963, c. 5, s. 4.

1. Subsection (2) of section 8A of the *Atlantic Development Board Act* is repealed and the following substituted therefor:

Contracts.

"(2) The Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board."

1963, c. 5, s. 5.

2. Paragraph (*d*) of subsection (1) of section 9 of the said Act is repealed and the following substituted therefor:

"(*d*) enter into agreements with the government of any province comprised in the Atlantic region or the appropriate agency thereof, subject to approval thereof by the Governor in Council, or enter into agreements with any other person, providing for

(i) the undertaking by the Board of any programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available,

EXPLANATORY NOTES.

Clause 1: The purpose of this amendment is to eliminate the requirement that every contract entered into by the Board be approved by the Governor in Council. The Governor in Council would still be required to approve all agreements with provincial governments or agencies thereof entered into under section 9(1)(*d*).

Subsection (2) of section 8A at present reads as follows:

"(2) *Subject to the approval of the Governor in Council*, the Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board."

Clause 2: The purpose of this amendment is to authorize the Board to enter into agreements providing for the undertaking of programs or projects by the Board alone or jointly with a province or appropriate agency thereof or any other person. In addition, this amendment would remove the requirement that agreements entered into under this paragraph with persons be approved by the Governor in Council.

The relevant portions of subsection (1) of section 9 at present read as follows:

"**9.** (1) The objects of the Board are to inquire into and report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

. . . . . .

(*d*) with the approval of the Governor in Council, enter into agreements with

(i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or

(ii) any other person,

respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16."

(ii) the joint undertaking by the Board and the province or agency thereof or person of programs or projects described in subparagraph (i), or

(iii) the payment by the Board to the province or agency thereof or person of contributions in respect of the cost of programs or projects described in subparagraph (i)."

3. The said Act is further amended by adding thereto, immediately after section 9 thereof, the following section:

Provision to be included in agreements.

"**9A.** An agreement entered into pursuant to paragraph (*d*) of subsection (1) of section 9 shall, where appropriate, specify the respective proportions of the revenues from any program or project to which the agreement relates that are to be paid to the Board and the province or agency thereof or person."

1963, c. 5, s. 6.

4. (1) Section 16 of the said Act is repealed and the following substituted therefor:

Atlantic Development Fund established.

"**16.** (1) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund.

Credits and charges to Fund.

(2) There shall be credited to the Fund, in addition to the amounts credited thereto pursuant to subsection (1) of section 16A, all revenues of the Board under agreements entered into pursuant to paragraph (*d*) of subsection (1) of section 9 and there shall be paid out of the Consolidated Revenue Fund and charged to the Fund all expenditures under agreements entered into pursuant to paragraph (*d*) of subsection (1) of section 9.

Limitation.

(3) No payment shall be made out of the Consolidated Revenue Fund under this section in excess of the amount of the balance to the credit of the Fund.

Payment out of Consolidated Revenue Fund.

16A. (1) Subject to subsection (2), the Minister of Finance may, on the recommendation of the Minister, credit to the Fund out of the Consolidated Revenue Fund such amounts not exceeding in the aggregate one hundred and fifty million dollars as are from time to time required by the Board under agreements entered into pursuant to paragraph (*d*) of subsection (1) of section 9.

Clause 3: New.

Clause 4: The purpose of this amendment is to allow for the crediting of revenues of the Atlantic Development Board to the Atlantic Development Fund and for the use of such revenues in connection with programs and projects undertaken under the provisions of agreements entered into under section 9(1)(*d*). In addition, this amendment would increase the aggregate amount that the Minister of Finance is authorized to credit to the Fund from one hundred million to one hundred and fifty million dollars.

Section 16 at present reads as follows:

"**16.** (1) Subject to subsection 4, the Minister of Finance may, on the recommendation of the Minister, pay to the Board out of the Consolidated Revenue Fund such amounts as are from time to time required by the Board for the purpose of financing or assisting in financing the undertaking and the carrying out of programs and projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available.

(2) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund, to which shall be credited all amounts paid by the Minister of Finance to the Board under subsection (1) and to which shall be charged all payments in respect of programs or projects described in that subsection.

(3) No payments may be made by the Minister of Finance to the Board under subsection (1) except in respect of a program or project described in that subsection that has been approved by the Governor in Council.

(4) The total of all amounts that may be paid by the Minister of Finance to the Board under subsection (1) and credited to the Atlantic Development Fund is *one hundred million dollars.*"

Approval of agreements.

(2) No amount may be credited by the Minister of Finance to the Fund under subsection (1) in respect of programs or projects described in an agreement entered into under paragraph (*d*) of subsection (1) of section 9 with a province or agency thereof, unless the agreement has been approved by the Governor in Council."

(2) For the purpose of section 16A of the said Act as enacted by this section, all amounts credited or charged to the Atlantic Development Fund pursuant to section 16 of the said Act before the coming into force of this Act shall be deemed to have been credited or charged, as the case may be, to the Atlantic Development Fund pursuant to sections 16 and 16A of the said Act as enacted by this section.

C-214.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-214.

An Act to amend the Criminal Code (Firearms).

First reading, June 28, 1966.

Mr. LEBLANC (Laurier).

24591

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

1953-54, cc. 51, 52; 1955, cc. 2, 45; 1956, c. 48; ss. 19, 20; 1957-58, c. 28; 1958, c. 18; 1959, cc. 40, 41; 1960, c. 37 and c. 45, s. 21; 1960-61, cc. 21, 42, 43, 44; 1962-63, c. 4; 1963, c. 8; 1964-65, c. 22, s. 10 and cc. 35, 53.

BILL C-214.

An Act to amend the Criminal Code (Firearms).

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

1. Subsection (4) of section 90 of the *Criminal Code* is repealed and the following substituted therefor:

Manufacturing, repairing, buying or selling firearms.

"(4) Everyone commits an offence who conducts, operates, or engages in the business of manufacturing, repairing, or of buying or selling firearms at wholesale or at retail in domestic or foreign markets unless he has a permit in Form 43A, or 43B, or 43C, or 43D as the case may be."

2. Subsection (1) of section 91 of the said Act is repealed and the following substituted therefor:

Transactions dealing with firearms to be recorded.

"**91.** (1) Everyone who conducts, operates or engages in the business of manufacturing, repairing, buying and selling firearms at wholesale or at retail in domestic or foreign markets

(*a*) shall keep a record of every transaction that he enters into with respect to firearms, and

(*b*) shall produce that record for inspection at the request of a peace officer, and

(*c*) shall send at the end of each month to the Royal Canadian Mounted Police and to the provincial police forces of his province, a copy of his records in which are entered all transactions with respect to firearms, and

Explanatory Notes.

The purpose of this Bill is to restrict the use of firearms which is at present too liberal, by establishing a systematic control not only for the buying and selling of firearms but also for the manufacturing and repairing thereof.

This Bill provides that everyone who has firearms in his possession shall have a permit therefor and that everyone who manufactures, repairs, buys or sells firearms, wholesale or retail, in domestic or foreign markets, shall keep an adequate and complete record of all transactions in relation thereto.

It is hoped that this measure will contribute to the war against crime.

(*d*) the record shall show an adequate and complete description of the firearms, to whom they are sold, or for whom they are manufactured, or repaired.

3. Section 94 of the said Act is amended by adding immediately after subsection (8) thereof the following subsections:

Regulations by Minister.

"(9) Permits shall be on such special paper as may be required by regulations issued under the authority of the Minister of Justice.

Bilingual permits.

(10) All permits shall be in English and in French.

Permits.

(11) No one shall carry or have in his custody a firearm without a permit therefor."

4. Paragraph (*b*) of section 98 of the said Act is repealed and the following substituted therefor:

"Firearm."

"(*b*) "firearm" means a pistol, revolver, rifle, gun of any kind or type, or a firearm that is capable of firing bullets in rapid succession during one pressure of the trigger; and"

5. Subsections (1) and (2) of section 97 of the said Act are repealed.

6. Form 43 in Part XXVI of the said Act is repealed and the following substituted therefor:

"FORM 43A.

Forms.

PERMIT TO MANUFACTURE FIREARMS.

This permit authorizes.....
(Insert name of holder of permit).

of.....

to manufacture firearms.

....
(Date of issue). (Signature of person authorized to issue permits).

.....
(Address).

FORM 43B.

PERMIT TO REPAIR FIREARMS.

This permit authorizes.....
(Insert name of holder of permit).

of.....

to repair firearms.

....
(Date of issue) (Signature of person authorized to issue permit).

.....
(Address).

FORM 43C.

PERMIT TO BUY AND SELL FIREARMS AT WHOLESALE.

This permit authorizes.....
(Insert name of holder of permit).

of.....

to buy and sell firearms at wholesale.....
(Indicate whether in

.....
domestic or/and foreign markets).

....
(Date of issue) (Signature of person authorized to issue permit).

.....
(Address).

FORM 43D.

PERMIT TO BUY AND SELL FIREARMS AT RETAIL.

This permit authorizes.....
(Insert name of holder of permit).

of.....

to buy and sell firearms at retail.....
(Indicate whether in

.....
domestic or/and foreign markets).

....
(Date of issue) (Signature of person authorized to issue permits).

.....
(Address).

C-215.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-215.

An Act respecting certain conditions of employment of dock workers at the Ports of Montreal, Trois-Rivières and Quebec.

First reading, June 29, 1966.

THE MINISTER OF LABOUR.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA 1966

24618

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-215.

An Act respecting certain conditions of employment of dock workers at the Ports of Montreal, Trois-Rivières and Quebec.

Preamble.

WHEREAS the processes of free collective bargaining and of mediation between representatives of employing shipping companies using the Ports of Montreal, Trois-Rivières and Quebec and of dock workers at those Ports have been successful in producing agreement on wages and most of the other issues in dispute at the time of the strike of such dock workers that began in the month of May, 1966, and, in the report of the mediator appointed to mediate the issues then in dispute, it was recommended that an Industrial Inquiry Commission be appointed under the *Industrial Relations and Disputes Investigation Act* to inquire into certain matters on which agreement was not reached and to report its conclusions thereon to the Minister of Labour at the earliest possible date;

AND WHEREAS an Industrial Inquiry Commission to inquire into those certain matters has been appointed under the said Act, and it is in the national interest that the conclusions of the said Commission with respect thereto be carried into effect without delay following receipt of the report of the said Commission, by the incorporation of those conclusions in the terms of settlement that were entered into following the settlement of the other issues involved in the dispute and in any collective agreements entered into pursuant to those terms of settlement;

NOW, THEREFORE, Her 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 *St. Lawrence Ports Working Conditions Act.*

Interpretation.

Definitions.

2. In this Act,

"Collective agreement to which this Act applies."

(*a*) "collective agreement to which this Act applies" means the terms of settlement between the Federation and the Union that were entered into following the settlement referred to in the preamble to this Act and any collective agreement between the parties thereto entered into pursuant to those terms of settlement;

"Commission."

(*b*) "Commission" means the Industrial Inquiry Commission referred to in the preamble to this Act, appointed under the *Industrial Relations and Disputes Investigation Act;*

"Federation."

(*c*) "Federation" means The Shipping Federation of Canada Incorporated, acting for and on behalf of employing shipping companies loading and discharging ships at any of the Ports of Montreal, Trois-Rivières and Quebec; and

"Union."

(*d*) "Union" means the International Longshoremen's Association and any affiliated locals thereof representing dock workers at the Ports of Montreal, Trois-Rivières and Quebec.

Agreements Amended.

Incorporation in collective agreements of recommendations of Commission.

3. Forthwith upon the receipt by the Minister of Labour of the report of the Commission, the Minister of Labour shall cause copies of the report to be furnished to the Federation and to the Union, and thereupon each collective agreement to which this Act applies shall be deemed to be amended by the incorporation therein of the conclusions of the Commission, as set forth in the report, with respect to each of the following matters concerning which, under the terms of reference of the Commission, inquiry is to be made by it, namely:

(*a*) the size and make-up of work gangs employed in longshoring and related trades at the Port to which the collective agreement applies, the sling loads used in loading and discharging operations at the Port, the strapping of cargo at the Port, and the use of other equipment and methods affecting productivity in loading and

discharging operations at the Port, including receiving and delivering cargo, consistent with the health and safety of longshoremen and other persons engaged in such operations;

(*b*) the calling up and recalling of men employed in longshoring and related trades at the Port; and

(*c*) the safeguarding of job security, having regard to changes that may be made in consequence of the implementation of the conclusions of the Commission with respect to the matters described in paragraphs (*a*) and (*b*), of members of the Union in good standing on the 1st day of June, 1966 who qualify in the calendar year 1966 for welfare benefits under the terms of The Shipping Federation of Canada-I.L.A. Health and Welfare Plan and who earn their livelihood wholly or mainly in longshoring and related operations at the Port, and of any other members of the Union in good standing on the 1st day of June, 1966 who earn their livelihood wholly or mainly in longshoring and related operations at the Port and who in the opinion of the Commission specially merit the safeguarding of their job security.

Form in which conclusions to be set forth.

4. In preparing its report the Commission shall set forth its conclusions with respect to the matters mentioned in paragraphs (*a*), (*b*) and (*c*) of section 3 in such form as will enable their incorporation in accordance with this Act into each collective agreement to which this Act applies, accordingly as those conclusions apply to the Port to which the collective agreement applies.

Saving provision.

5. Nothing in this Act shall be deemed to limit or restrict the right of the parties to any collective agreement to which this Act applies to agree to vary or amend any of the terms and conditions of the agreement, as amended pursuant to this Act, and to give effect thereto.

C-216.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-216.

An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act.

First reading, June 29, 1966.

The MINISTER OF FINANCE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24646

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-216.

An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act.

R.S., c. 148, 1952-53, c. 40; 1953-54, c. 57; 1955, cc. 54, 55; 1956, c. 39; 1957, c. 29; 1957-58, c. 17; 1958, c. 32; 1959, c. 45; 1960, c. 43; 1960-61, cc. 17, 49; 1962-63, c. 8; 1963, cc. 21, 41; 1964-65, cc. 13, 26, 54; 1965, cc. 12, 18.

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

INCOME TAX ACT.

1. (1) Subsection (1) of section 6 of the *Income Tax Act* is amended by adding thereto, immediately after paragraph (*ea*) thereof, the following paragraph:

Previous reserve for quadrennial survey, etc.

"(*eb*) the amount deducted as a reserve under paragraph (*ea*) of subsection (1) of section 11 in computing the taxpayer's income for the immediately preceding year;"

(2) For the taxation year in which this section comes into force, there shall be included in computing the income of a taxpayer the amount of any reserve established by him at the end of the immediately preceding year pursuant to section 7 of the *Canadian Vessel Construction Assistance Act*.

2. (1) Subsection (1) of section 11 of the said Act is amended by adding thereto, immediately after paragraph (*e*) thereof, the following paragraph:

"(*ea*) such amount as may be prescribed as a reserve for expenses to be incurred by the taxpayer by reason of quadrennial or other special surveys required under the *Canada Shipping Act*, or the regulations thereunder, or under the rules of any society or association for the classification and registry of shipping approved by the Minister of Transport for the purposes of the *Canada Shipping Act*;"

Explanatory Notes.

Clause 1: The new paragraph proposed by this amendment would provide for the inclusion in the income of a taxpayer for a taxation year of amounts deducted as a reserve under the new paragraph (*ea*) of subsection (1) of section 11 set out in subclause (1) of clause 2. This amendment, the amendment set out in subclause (1) of clause 2 and the amendments set out in subclauses (1), (3) and (4) of clause 3 would make provision in the *Income Tax Act* analogous to that presently in the *Canadian Vessel Construction Assistance Act* for reserves in respect of quadrennial surveys, recapture in respect of such reserves and for certain special rules respecting capital cost allowances on vessels. These amendments would also vest in the Minister of Industry the responsibilities that presently fall on the Canadian Maritime Commission under the *Canadian Vessel Construction Assistance Act.*

Clause 2: (1) This amendment would provide for a deduction in computing the income of a taxpayer for a taxation year of a prescribed amount as a reserve in respect of the expenses of a quadrennial or other survey. The proposed paragraph is analogous to a provision presently in the *Canadian Vessel Construction Assistance Act.*

(2) Paragraphs (*qb*) and (*qc*) of subsection (1) of section 11 of the said Act are repealed and the following substituted therefor:

"(*qb*) where a taxpayer was during the year a student in full-time attendance at a university outside Canada in a course leading to a degree, the amount of any fees for his tuition paid to the university in respect of a period not exceeding 12 months commencing in the year and not included in the calculation of a deduction under this subsection for a previous year except any such fees

(i) paid in respect of a course of less than 13 consecutive weeks' duration; or

(ii) paid on his behalf by his employer to the extent that the amount thereof exceeds an amount included in his income for the year in which such payment was made in respect of such payment;

(*qc*) where a taxpayer was during the year a student enrolled at an educational institution in Canada

(i) that is a university, college or other educational institution providing courses at a post-secondary school level,

(ii) that is a school operated by or on behalf of Her Majesty in right of Canada or a province, a municipality in Canada, or a municipal or public body performing a function of government in Canada,

(iii) that is a high school or secondary school providing courses leading to a secondary school certificate or diploma that is a requirement for entrance to a college or university, or

(iv) that is certified by the Minister of Labour to be an educational institution by which courses are conducted that provide or improve the qualifications of a person for employment or for the carrying on of a business or profession,

the amount of any fees for his tuition paid to the educational institution in respect of a period not exceeding 12 months commencing in the year and not included in the calculation of a deduction under this subsection for a previous year, if such amount exceeds $25, but where such amount was paid on his behalf

(2) This amendment which would add the sidelined words, would implement paragraph 6 of the Income Tax Resolution which reads as follows:

"**6.** That for the 1966 and subsequent taxation years an employee may not deduct in computing his income an amount in respect of tuition fees paid on his behalf by his employer in excess of the amount included in his income in respect of the said fees."

by his employer, only the part thereof that does not exceed the amount included in his income for the year in which such payment was made in respect of such payment;"

(3) Paragraphs (*qb*) and (*qc*) of subsection (1) of section 11 of the said Act, as enacted by subsection (2) of this section, are applicable to the 1966 and subsequent taxation years.

3. (1) Subsection (5) of section 20 of the said Act is amended by adding thereto, immediately preceding paragraph (*a*) thereof, the following paragraph:

"Conversion" and "conversion cost."

"(*aa*) "conversion", in respect of a vessel, means a conversion or major alteration in Canada by a taxpayer in accordance with plans approved in writing by the Minister of Industry for the purposes of this Act and "conversion cost" means the cost of a conversion as determined by the Minister of Industry;"

(2) Paragraph (*c*) of subsection (5) of section 20 of the said Act is amended by striking out the word "and" at the end of subparagraph (iii) thereof, by adding the word "and" at the end of subparagraph (iv) thereof and by adding thereto the following subparagraph:

"(v) an amount by which the liability of a taxpayer to a mortgagee is reduced as a result of foreclosure of his interest in property that is mortgaged or as a result of the sale of that property under a provision of the mortgage, plus any amount received by the taxpayer out of the proceeds of such sale;"

(3) Subsection (5) of section 20 of the said Act is further amended by striking out the word "and" and the end of paragraph (*d*) thereof, by adding the word "and" at the end of paragraph (*e*) thereof and by adding thereto the following paragraph:

"Vessel."

"(*f*) "vessel" means a vessel as defined in the *Canada Shipping Act*."

(4) Paragraphs (*a*) and (*b*) of subsection (5a) of section 20 of the said Act are repealed and the following substituted therefor:

Clause 3: Subclauses (1) and (3) would add the definitions set out therein to subsection (5) of section 20 of the Act. These definitions are required in connection with the amendments that would include in the Act provisions analogous to those in the *Canadian Vessel Construction Assistance Act.*

Subclause (2) would add to the definition of "proceeds of disposition" a paragraph to remove any question as to the amount of such proceeds where a taxpayer is foreclosed or property is sold under the provisions of a mortgage.

Subclause (4) would add to section 20 provisions analogous to certain provisions respecting capital cost allowance on vessels that are presently in the *Canadian Vessel Construction Assistance Act.*

"(*a*) it shall, to the extent that it has been expended by the taxpayer

(i) in the taxation year immediately following the initial year on acquiring property of the same class,

(ii) in the taxation year immediately following the initial year on acquiring, if the property destroyed was a building, a building of a prescribed class, or

(iii) within a time certified by the Minister of Industry to be a reasonable time following the initial year, on acquiring, if the property destroyed was a vessel, a vessel of a prescribed class,

not be included in computing the income of the taxpayer for the initial year; and

(*b*) it shall, to the extent that it has not been included in computing the income of the taxpayer for the initial year, be deemed to be proceeds of a disposition made

(i) in the case of a vessel, in the taxation year in which it is in whole or in part expended in accordance with paragraph (*a*), but only to the extent that it is so expended in that year and only if such year is within the time certified by the Minister of Industry under subparagraph (iii) of paragraph (*a*), and

(ii) in the case of any other property, in the taxation year immediately following the initial year

of depreciable property of the taxpayer of the same class as the property so acquired."

(5) Subsection (9) of section 20 of the said Act is repealed and the following substituted therefor:

Application where deduction under the *Canadian Vessel Construction Assistance Act.*

"(9) Notwithstanding subsection (8), where a deduction has been made under the *Canadian Vessel Construction Assistance Act* for any year, subsection (1) is applicable in respect of the prescribed class created by that Act or any other prescribed class to which the vessel may have been transferred."

(6) Section 20 of the said Act is further amended by adding thereto the following subsections:

Conversion cost of vessel deemed prescribed class.

"(11) For the purposes of this section and regulations made under paragraph (*a*) of subsection (1) of section 11, a vessel in respect of which any conversion

cost is incurred after the coming into force of this subsection shall, to the extent of the conversion cost, be deemed to be included in a separate prescribed class.

Subsection (1) not applicable in certain cases.

(12) Where a vessel owned by a taxpayer on January 1, 1966 or constructed pursuant to a construction contract entered into by the taxpayer prior to 1966 and not completed by that date is disposed of by the taxpayer before 1971,

(*a*) subsection (1) does not apply to the proceeds of disposition

(i) to the extent that they are used by any person before 1973 for replacement under conditions satisfactory to the Minister of Industry, or

(ii) if the Minister of Industry certifies that the taxpayer has, on satisfactory terms, deposited on or before the day on which he is required to file a return of his income for the year in which the vessel was disposed of, an amount at least equal to the tax that would but for this subsection be payable by the taxpayer under this Part in respect of the proceeds of disposition, or satisfactory security therefor, as a guarantee that the proceeds of disposition will be used before 1973 for replacement; and

(*b*) the taxpayer may, within the time prescribed for the filing of a return of his income for the taxation year in which the vessel was disposed of, elect to have the vessel constituted a prescribed class, or, if any conversion cost in respect of the vessel has been included in a separate prescribed class, have it transferred to that class, and, if he so elects, the vessel shall be deemed to have been so transferred immediately before the disposition thereof but this paragraph does not apply unless the proceeds of disposition of the vessel exceed the amount that would be the undepreciated capital cost of property of the class to which it would be so transferred.

Election in respect of proceeds of disposition of a vessel.

(13) Where a vessel owned by a taxpayer is disposed of by him, he may, if subsection (12) does not apply to the vessel or if the taxpayer does not make an election under paragraph (*b*) of subsection (12), within the time prescribed for the filing of a return of his income for the taxation year in which the vessel is disposed of, elect to have the proceeds that would

be included in his income under subsection (1) treated as proceeds of disposition of property of another prescribed class that includes a vessel owned by him.

Prescribed class constituted by conversion cost deemed part of class constituted by vesse on disposition.

(14) Where a separate prescribed class has been constituted either under this Act or the *Canadian Vessel Construction Assistance Act* by virtue of the conversion of a vessel owned by a taxpayer and the vessel is disposed of by him, if no election is made under paragraph (*b*) of subsection (12), the separate prescribed class constituted by virtue of the conversion shall be deemed to have been transferred to the class in which the vessel was included immediately before the disposition thereof.

Re-assessments.

(15) Notwithstanding any other provision of this Act, where a taxpayer has

(*a*) expended an amount as described in subparagraph (iii) of paragraph (*a*) of subsection (5a), or

(*b*) made an election under paragraph (*b*) of subsection (12) with respect to a vessel and the proceeds of disposition of the vessel have been used before 1973 for replacement under conditions satisfactory to the Minister of Industry,

such re-assessments of returns of income shall be made as are necessary to give effect to subsections (5*a*) and (12).

Disposition of deposit.

(16) All or any part of a deposit made under subparagraph (ii) of paragraph (*a*) of subsection (12) or under the *Canadian Vessel Construction Assistance Act* may be paid out to or on behalf of any person who, under conditions satisfactory to the Minister of Industry and as a replacement for the vessel disposed of, acquires a vessel before 1973 or within seven years of the time when the deposit was made, whichever is earlier,

(*a*) that was constructed in Canada and is registered in Canada or is registered under conditions satisfactory to the Minister of Industry in any country or territory to which the British Commonwealth Merchant Shipping Agreement (signed at London on December 10, 1931) applies, and

(*b*) in respect of the capital cost of which no allowance has been made to any other taxpayer under this Act or the *Canadian Vessel Construction Assistance Act*,

or incurs any conversion cost with respect to a vessel of the taxpayer that is registered in Canada or is registered under conditions satisfactory to the Minister of Industry in any country or territory to which the

said British Commonwealth Merchant Shipping Agreement applies, but the ratio of the amount paid out to the amount of the deposit shall not exceed the ratio of the capital cost to him of the vessel or the conversion cost to him of the vessel, as the case may be, to the proceeds of disposition of the vessel disposed of; and any deposit or part of a deposit not so paid out within

(*c*) a period of seven years after it was made under subsection (12) or under the *Canadian Vessel Construction Assistance Act*, or

(*d*) before 1973,

whichever is earlier, shall be paid to the Receiver General of Canada and form part of the Consolidated Revenue Fund."

4. (1) Paragraph (*a*) of subsection (1) of section 27 of the said Act is repealed and the following substituted therefor:

Charitable donations.

"(*a*) the aggregate of gifts made by the taxpayer in the year (and in the immediately preceding year, to the extent of the amount thereof that was not deductible under this Act in computing the taxable income of the taxpayer for that immediately preceding year) to

(i) registered Canadian charitable organizations,

(ii) housing corporations resident in Canada and exempt from tax under this Part by paragraph (*ga*) of subsection (1) of section 62,

(iii) Her Majesty in right of the provinces and Canadian municipalities,

(iv) the United Nations or agencies thereof,

(v) universities outside Canada prescribed to be universities the student body of which ordinarily includes students from Canada, and

(vi) charitable organizations outside Canada to which Her Majesty in right of Canada has made a gift during the taxpayer's taxation year or the 12 months immediately preceding that taxation year,

not exceeding 10% of the income of the taxpayer for the year, if payment of the amounts given is proven by filing receipts with the Minister that, in the case of donations to registered Canadian charitable organizations, contain prescribed information;"

Clause 4: These amendments would revise and extend the provisions of section 27 dealing with charitable donations to implement paragraph 2 of the Income Tax Resolution which reads as follows:

"2. That for the 1967 and subsequent taxation years,

(*a*) a gift made to a charitable organization in Canada exempt from tax by paragraph (*e*) of subsection (1) of section 62 or to a corporation or trust resident in Canada exempt from tax by paragraph (*f*) or (*g*) of that subsection may be deducted in computing taxable income for the year only if the donee is a registered Canadian charitable organization, and for this purpose a registered Canadian charitable organization shall mean

(i) a charitable organization in Canada exempt from tax by paragraph (*e*) of subsection (1) of section 62 or a corporation or trust resident in Canada exempt from tax by paragraph (*f*) or (*g*) of that subsection, or

(ii) a branch, section, parish, congregation or other division of an organization described in (i) that receives donations on its own behalf,

that has been registered in a prescribed manner with the Minister of National Revenue and has filed a return in prescribed form; and

(*b*) the aggregate of gifts that a taxpayer may deduct in computing his taxable income for a taxation year by virtue of paragraph (*a*) of subsection (1) of section 27 of the Act may include a gift made

(i) to the United Nations or any agency thereof,

(ii) to a university outside Canada prescribed to be a university the student body of which ordinarily includes students from Canada, or

(iii) to a charitable organization outside Canada to which Her Majesty in right of Canada has made a gift during the calendar year coinciding with or ending in the taxation year."

(2) All that portion of subsection (3) of section 27 of the said Act following paragraph (*b*) thereof is repealed and the following substituted therefor:

"a gift made by him in the year to a religious, charitable, scientific, literary or educational organization created or organized in or under the law of the United States that would be allowed as a deduction under the United States Internal Revenue Code shall, for the purpose of paragraph (*a*) of subsection (1), be deemed to have been made to a registered Canadian charitable organization."

(3) Section 27 of the said Act is further amended by adding thereto, immediately after subsection (3a) thereof, the following subsections:

"Registered Canadian charitable organization."

"(3b) In respect of a year after 1966, "registered Canadian charitable organization" means

(*a*) a charitable organization in Canada exempt from tax under this Part by paragraph (*e*) of subsection (1) of section 62 or a corporation or trust resident in Canada exempt from tax under this Part by paragraph (*f*) or (*g*) of that subsection, or

(*b*) a branch, section, parish, congregation or other division of an organization described in paragraph (*a*) that receives donations on its own behalf,

that has applied to the Minister in prescribed form for registration and that has been registered in respect of the year and whose registration has not been revoked for such year under subsection (3c).

Revocation of registration.

(3c) Where a charitable organization, corporation or trust that is a registered Canadian charitable organization has

(*a*) failed to file an information return as and when required under this Act or a regulation, or

(*b*) failed to comply with or contravened section 125 or 126,

the Minister may, by notice sent by registered mail to the charitable organization, corporation or trust, revoke the registration thereof, and such charitable organization, corporation or trust shall, upon publication of a copy of such notice in the *Canada Gazette*, cease to be a registered Canadian charitable organization either on the date of such publication or on such later day as is named in the notice."

Coming into force and transitional provision.

(4) Subsections (1) and (2) shall come into force on January 1, 1967, and gifts to

(*a*) charitable organizations in Canada exempt from tax under Part I of the *Income Tax Act* by paragraph (*e*) of subsection (1) of section 62 thereof, or

(*b*) corporations or trusts resident in Canada and exempt from tax under the said Part by paragraph (*f*) or (*g*) of subsection (1) of section 62 thereof,

that were made by a taxpayer before 1967 and that would have been deductible by him in computing his taxable income for a taxation year but for subsection (1) of this section, shall be deemed to be gifts made by the taxpayer to registered Canadian charitable organizations and may be deducted by him in computing his taxable income to the extent provided by subsection (1) of section 27 of the *Income Tax Act* as enacted by subsection (1) of this section.

5. (1) Subsection (4) of section 33 of the said Act is repealed and the following substituted therefor:

Tax deduction.

"(4) There may be deducted from the tax otherwise payable under this Part by an individual for a taxation year an amount equal to the lesser of

(*a*) $20, or

(*b*) 20% of the tax otherwise payable under this Part by the individual for the taxation year."

(2) This section is applicable to the 1966 and subsequent taxation years, except that in its application to the 1966 taxation year, the amount that may be deducted by an individual under subsection (4) of section 33 of the said Act, as enacted by this section, shall be the aggregate of

(*a*) the lesser of

(i) $240, or

(ii) 4% of the tax otherwise payable under Part I of the said Act, and

(*b*) the lesser of

(iii) $12, or

(iv) 12% of the tax otherwise payable under Part I of the said Act,

and for the purposes of this subsection, the expression "tax otherwise payable under Part I of the said Act" has the same meaning as the expression "tax otherwise payable under this Part" in section 33 of the said Act.

6. (1) All that portion of subsection (2) of section 64 of the said Act preceding paragraph (*a*) thereof is repealed and the following substituted therefor:

Clause 5: This amendment would implement paragraph 1 of the Income Tax Resolution which reads as follows:

"1. That for the 1967 and subsequent taxation years the deduction from individual income tax equal to the lesser of 10 per cent of basic tax or $600, described in subsection (4) of section 33 of the said Act, be replaced by a deduction equal to the lesser of 20 per cent of basic tax or $20, and that for the 1966 taxation year the deduction be equal to the aggregate of

(*a*) 4 per cent of basic tax or $240, whichever is the lesser, and

(*b*) 12 per cent of basic tax or $12, whichever is the lesser."

Clause 6: The purpose of this amendment is to extend the time within which the legal representative of a deceased person may elect to apply one of the special rules set forth in subsection (2) of section 64. The amendment would also provide for the revocation of such an election by the legal representative within the time provided for the making of the election.

Amounts receivable.

"(2) Where a taxpayer who has died had at the time of his death rights or things (other than an amount included in computing his income by virtue of subsection (1)), the amount whereof when realized or disposed of would have been included in computing his income, the value thereof at the time of death shall be included in computing the taxpayer's income for the taxation year in which he died, unless his legal representative has, within one year from the date of death of the taxpayer or within 90 days after the mailing of any notice of assessment in respect of the tax of the taxpayer for the year of death, whichever is the later day, elected that one of the following rules be applicable thereto:"

(2) Section 64 of the said Act is further amended by adding thereto the following subsection:

Revocation of election.

"(5) An election made pursuant to subsection (2) may be revoked by a notice of revocation signed by the legal representative of the taxpayer and filed with the Minister within the time that an election under that subsection may be made."

7. (1) Paragraph (*a*) of subsection (1) of section 70 of the said Act is repealed and the following substituted therefor:

"(*a*) dividends described in subparagraph (i) of paragraph (*a*) of subsection (1a) of section 106 received in the year,

(*ab*) interest received in the year from other non-resident-owned investment corporations, and"

(2) Subparagraph (ii) of paragraph (c) of subsection (4) of section 70 of the said Act is repealed and the following substituted therefor:

"(ii) trading or dealing in bonds, shares, debentures, mortgages, hypothecs, bills, notes or other similar property or any interest therein;"

(3) Subsection (1) is applicable to dividends and interest received after March 29, 1966, and subsection (2) is applicable to taxation years ending after that day.

Clause 7: Subclauses 1 and 2 of this clause would add the underlined words, thus implementing paragraphs 5 and 4 respectively of the Income Tax Resolution which read as follows:

"5. That with respect to dividends received after March 29, 1966, a non-resident-owned investment corporation may not deduct from its income in computing its taxable income a dividend received by it from another non-resident-owned investment corporation other than a dividend paid by a non-resident-owned investment corporation that had previous to the payment of the dividend, and at a time when it was taxable as a non-resident-owned investment corporation, paid dividends (other than dividends on which no tax was payable under the said Act) the aggregate amount of which is not less than the corporation's surplus determined in the manner prescribed for purposes of subsection (1a) of section 106 of the said Act for taxation years for which it was not taxable as a non-resident-owned investment corporation."

"4. That with respect to taxation years ending after March 29, 1966, a corporation whose principal business during the year after that date was trading or dealing in bonds, shares or debentures will not be eligible to pay tax at the special 15 per cent rate of tax provided by section 70 of the said Act."

8. Paragraph (*e*) of subsection (2) of section 71A is repealed and the following substituted therefor:

"New manufacturing or processing business."

"(*e*) "new manufacturing or processing business" means a manufacturing or processing business that commenced manufacturing or processing in reasonable commercial quantities after December 4, 1963, and before April 1, 1967, or, where the Minister of Industry is satisfied that

(i) the facilities to be used in the business were in the process of being constructed, installed or assembled on the site of the proposed business premises on March 29, 1966, and

(ii) the business was unable to commence manufacturing or processing in reasonable commercial quantities before April 1, 1967, by reason of an event beyond the control of the taxpayer,

before April 1, 1968."

9. (1) Paragraph (*a*) of subsection 6 of section 83 of the said Act is repealed and the following substituted therefor:

"Mine."

"(*a*) "mine" does not include an oil well, gas well, brine well, sand pit, gravel pit, clay pit, shale pit or stone quarry (other than a deposit of oil shale or bituminous sand), but does include a well for the extraction of material from a sylvite deposit and all such wells, the material produced from which is sent to a single plant for processing, shall be deemed to be one mine; and"

(2) Subsection (5) of section 83 of the said Act is applicable in respect of income, from a well or wells for the extraction of material from a sylvite deposit that is or are a mine by virtue of paragraph (*a*) of subsection (6) of section 83 of the said Act as enacted by subsection (1), where such income is derived from the operation thereof during such part, if any, of the period of 36 months commencing with the day on which the mine came into production as is after March 29, 1966.

Clause 8: This amendment, which would add the sidelined words, would in the circumstances set out in the amendment, extend the time within which a manufacturing or processing business may commence production in reasonable commercial quantities in a designated area and still qualify for the special treatment afforded by subsection (1) of section 71A. This amendment would implement paragraph 10 of the Income Tax Resolution which reads as follows:

"**10.** That the date before which a new manufacturing or processing business must have commenced manufacturing or processing in reasonable commercial quantities in a designated area in order to qualify for an exemption from tax on its income from such operations for 36 months after the commencement of operations be changed from April 1, 1967 to April 1, 1968 in the case of a manufacturing or processing business where evidence satisfactory to the Minister of Industry is furnished to establish that

(*a*) the facilities to be used in the said business were in the process of being constructed, installed or assembled on the site of the proposed business premises on March 29, 1966, and

(*b*) the said business is unable to commence manufacturing or processing in reasonable commercial quantities before April 1, 1967, by reason of an event beyond the control of the said business."

Clause 9: This amendment would extend the definition of a mine for the purposes of subsection (5) of section 83 which reads as follows:

"(5) Subject to prescribed conditions, there shall not be included in computing the income of a corporation income derived from the operation of a mine during the period of 36 months commencing with the day on which the mine came into production."

This would implement paragraph 9 of the Income Tax Resolution which reads as follows:

"**9.** That with respect to operations that come into commercial production after March 29, 1966, the definition of a mine be amended so that all wells, the material that is extracted from sylvite deposits by means of which is sent to a single plant for processing, be deemed to be one mine, and that where an operation that would qualify as a mine by reason of an enactment based on this resolution came into commercial production within the 3 years preceding March 29, 1966, that part of the income of the operator thereof that is attributable to commercial production therefrom in the part of the first 36 months of such operation that falls after March 29, 1966, shall be deemed to be income from the operation of a mine."

10. (1) All that portion of paragraph (*b*) of subsection (2) of section 85A of the said Act following subparagraph (i) thereof is repealed and the following substituted therefor:

"exceeds the lesser of

(ii) 20% of the amount of the benefit so deemed to have been received, or

(iii) $200."

(2) This section is applicable to benefits deemed by paragraph (*a*), (*b*), (*c*) or (*d*) of subsection (1) of section 85A of the said Act to have been received by an employee after March 29, 1966, except that this section shall not apply to any such benefit so deemed to have been received before January 1, 1968, if the agreement between the employee and his employer under which the benefit is received existed before March 30, 1966.

(3) An agreement that existed before March 30, 1966, but that is amended after that date shall, if the amendment is for the sole purpose of allowing an option therein granted to be exercised on or before January 1, 1968, be deemed, notwithstanding the amendment, to be an agreement between the employee and his employer that existed before March 30, 1966.

11. Subsection (5) of section 86 of the said Act is repealed and the following substituted therefor:

Idem.

"(5) Notwithstanding anything in this section, a retiring Chairman, Assistant Chairman or other member is, subject to subsection (2), eligible to be reappointed in the same or another capacity, but no member so reappointed shall hold office after attaining the age of 75 years."

12. (1) The said Act is further amended by adding thereto, immediately after section 105c thereof, the following heading and Part:

"PART IID.

SPECIAL REFUNDABLE TAX.

Definitions. "Corporation."

105D. In this Part,

(*a*) "corporation" means a corporation that is not

(i) exempt from tax under this Act by section 62,

(ii) an investment company within the meaning of subsection (2) of section 69,

Clause 10: This amendment, which would add the underlined words, would implement paragraph 7 of the Income Tax Resolution which reads as follows:

"**7.** That with respect to a benefit received after March 29, 1966 by virtue of a plan under which a corporation agrees to sell or issue shares to its employees, the rules described in subsection (2) of section 85A of the said Act that an employee may elect to use to calculate the amount of tax on the said benefit be amended so that the 20 per cent of the amount of the benefit referred to in subparagraph (ii) of paragraph (*b*) of the said subsection will not exceed $200, but that this amendment shall not apply if the right to acquire shares was given to the employee before March 30, 1966 and the benefit is received before January 1, 1968."

Clause 11: This amendment would make possible the reappointment of a retiring Chairman, Assistant Chairman or other member of the Tax Appeal Board who is over the age of 65 but under the age of 75 at the time of the expiration of his term as such a member.

Clause 12: This amendment would add a new Part IID to the Act dealing with the Special Refundable Tax outlined in paragraphs 14 to 18 of the Income Tax Resolution. Those paragraphs read as follows:

"**14.** That with respect to each taxation year included in whole or in part in the period commencing May 1, 1966, and ending October 31, 1967, a special refundable tax at the rate of 5% shall be payable by all corporations that are not exempt from tax under the said Act by virtue of section 62 thereof, other than

1. investment companies described in section 69 thereof,

(iii) a non-resident-owned investment corporation within the meaning of subsection (4) of section 70, or

(iv) a corporation more than 95% of the property of which, throughout its taxation year, was situated outside Canada or consisted of shares in or obligations of corporations not resident in Canada and which, in the taxation year, did not acquire shares in corporations resident in or carrying on business in Canada or obligations of persons resident in or carrying on business in Canada of a value, in the aggregate, in excess of 5% of its income for the year, and all of the shares of which were, throughout the year, owned by non-residents of Canada;

"Corporate tax base."

(*b*) "corporate tax base" for a taxation year of a corporation means the aggregate of

(i) its taxable income or loss for the year,

(ii) amounts, not exceeding in the aggregate 50% of the gross revenue of the corporation for the year, deducted under paragraph (*a*) of subsection (1) of section 11 in computing its income for the year, but not including amounts so deducted in respect of property described in class 12 in Schedule B to the *Income Tax Regulations*,

(iii) amounts deducted under paragraph (*b*) of subsection (1) of section 11 in computing its income for the year,

(iv) business losses sustained in other years that are deducted in computing its taxable income for the year,

(v) the amount by which any amounts deducted under section 83A in computing its income for the year exceed any expenses described in that section actually incurred by it in the year,

(vi) dividends received from corporations described in paragraphs (*d*) and (*e*) of subsection (1) of section 28 that are deducted in computing its taxable income for the year, and

(vii) income from the operation of a mine not included in computing its income for the year by virtue of subsection (5) of section 83,

2. non-resident-owned investment corporations described in section 70 thereof, and

3. corporations more than 95% of the property of each of which throughout the taxation year was situated outside Canada or consisted of shares in or obligations of corporations or other persons not resident in Canada, the aggregate value of any shares in or obligations of corporations or other persons resident in Canada or carrying on business in Canada acquired by each of which in the taxation year did not exceed 5% of its income for the year, and all of the shares of each of which were throughout the taxation year owned by non-residents of Canada,

and by all trusts (other than trusts arising on death and trusts described in paragraph (g) of subsection (1) of section 62 of the said Act) calculated, in the case of a corporation, on a tax base (hereinafter called the corporate tax base) comprising the aggregate of

(*a*) its taxable income or loss,

(*b*) amounts deducted under paragraph (*a*) of subsection (1) of section 11 in computing its income, (other than amounts deducted in respect of property described in class 12 of Schedule B to the Income Tax Regulations) not in excess of an amount equal to 50 per cent of its gross revenue for the taxation year,

(*c*) amounts deducted under paragraph (*b*) of subsection (1) of section 11 in computing its income,

(*d*) business losses sustained in other years that are deducted in computing its taxable income,

(*e*) the amount by which any amounts deducted under section 83A of the said Act in computing its income exceed any expenses described in that section actually incurred by it in the year,

(*f*) dividends received from corporations described in paragraphs (*d*) and (*e*) of subsection (1) of section 28 of the said Act that are deducted in computing its taxable income, and

(*g*) income from the operation of a mine not included in computing its income by virtue of subsection (5) of section 83 of the said Act,

minus the aggregate of

(*h*) $30,000, but where the corporation is associated with one or more other corporations in the year then 30/35ths of the amount allocated to it for the year under subsection (3) or (3a) of section 39 of the said Act,

(*i*) the aggregate of the payments made in the year by the corporation (not exceeding the aggregate of the amounts specified in sub-paragraphs (*b*) and (*e*)) each of which was a payment as or on account of principal made in retirement of a debt owed by the corporation or made into a sinking fund that under an agreement in writing entered into before March 30, 1966 was required to be established for the purpose of the retirement of a debt owed by the corporation, if

(i) the original term for full repayment of the debt was three years or longer,

(ii) the payment was required to be made in the year under an agreement in writing entered into before March 30, 1966, and

(iii) the payment was made to a person with whom the corporation was dealing at arm's length,

(*j*) payments made in the year by the corporation to redeem shares of its capital stock where such redemption was authorized by or on behalf of the corporation before March 30, 1966, or required by an agreement in writing entered into before that day, and

(*k*) the following taxes payable by the corporation in respect of the year, namely

(i) income tax payable to Her Majesty in right of Canada,

(ii) income tax and logging tax payable to Her Majesty in right of a province, and

(iii) income and profits taxes payable to the government of a country other than Canada,

and in the case of a trust, on a tax base (hereinafter called the trust tax base) comprising the aggregate of

(*l*) its income or loss from all businesses carried on by it,

(*m*) its rental income not included in computing the amount determined under subparagraph (*l*),

minus the aggregate of

(viii) $30,000, or, in the case of a corporation that is associated with one or more other corporations, 30/35 of the amount allocated to it for the year under subsection (3) or (3a) of section 39 but if no such allocation has been made in respect of the corporation, the Minister may require an allocation to be made for the purposes of this Part and the provisions of subsections (3) and (3a) shall apply *mutatis mutandis* to the making of such allocation,

(ix) the aggregate of the payments made in the year by the corporation (not exceeding the aggregate of the amounts included in the corporate tax base by virtue of subparagraphs (ii) and (v)) each of which was a payment as or on account of principal made in retirement of a debt owed by the corporation or made into a sinking fund that under an agreement in writing entered into before March 30, 1966 was required to be established for the purpose of the retirement of a debt owed by the corporation, if

(A) the original term for full repayment of the debt was 3 years or longer,

(B) the payment was required to be made in the year under an agreement in writing entered into before March 30, 1966, and

(C) the payment was made to a person with whom the corporation was dealing at arm's length,

(x) payments made in the year by the corporation to redeem shares of its capital stock where such redemption was authorized by or on behalf of the corporation before March 30, 1966, or required by an agreement in writing entered into before that day, and

(*n*) amounts deducted under paragraph (*a*) of subsection (1) of section 11 in computing the amounts specified in subparagraphs (*l*) and (*m*), (other than amounts deducted in respect of property described in class 12 of Schedule B to the Income Tax Regulations) not in excess of an amount equal to 50% of that part of its gross revenue included in computing and the amounts specified in subparagraphs (*l*) and (*m*), and

(*o*) amounts deducted under paragraph (*b*) of subsection (1) of section 11 in computing the amounts specified in subparagraphs (*l*) and (*m*),

minus the aggregate of

(*p*) $30,000,

(*q*) the aggregate of the payments made in the year by the trust (not exceeding the amount specified in subparagraph (*n*)) each of which was a payment as or on account of principal made in retirement of a debt owed by the trust, if

(i) the original term for full repayment of the debt was three years or longer,

(ii) the payment was required to be made in the year under an agreement in writing entered into before March 30, 1966, and

(iii) the payment was made to a person with whom the trust was dealing at arm's length, and

(*r*) income and profits taxes payable in respect of the year to the government of a country other than Canada.

15. That for the purposes of the special refundable tax, the corporate tax base and trust tax base for any taxation year part of which is before May 1, 1966 or after October 31, 1967, shall be that proportion of the said tax base that the number of days in the taxation year that are after April 30, 1966 or before November 1, 1967, as the case may be, is of the total number of days in the taxation year.

16. That payment of the special refundable tax shall be made,

(*a*) in the case of a corporation, in monthly installments on the last day of each month commencing with May 31, 1966, and ending with October 31, 1967, with each installment calculated by reference to the corporate tax base for the same taxation year of the corporation as is used in computing or estimating the corporation tax payment that is due on the same day, and

(*b*) in the case of a trust, in equal installments on June 30, September 30 and December 31, 1966, and in equal installments on March 31, June 30 and September 30, 1967, calculated by reference to the trust tax base for the preceding taxation year or the estimated trust tax base for the taxation year in which the installments are paid.

17. That each installment of special refundable tax shall be,

(*a*) in the case of a corporation, that proportion of the tax calculated or estimated to be payable for the taxation year, that one is of the number of installment payments dates in the taxation year that are after April 30, 1966 and before November 1, 1967, and

(*b*) in the case of a trust, one third of the tax calculated or estimated to be payable for the taxation year,

and that

(*c*) the final adjusting payment, if any, shall be due, in respect of each taxation year, three months after the end of the taxation year, and

(*d*) a return in prescribed form shall be filed by a corporation within six months from the end of each taxation year, and by a trust within ninety days from the end of each taxation year.

18. That the special refundable tax shall be refunded together with interest at 5% per annum to taxpayers at such time or times as may be prescribed but not less than 18 months nor more than 36 months after the later of

(*a*) the day on which the payment of tax to be refunded was due; or

(*b*) the day on which the payment of tax to be refunded was paid."

(xi) the following taxes payable by the corporation in respect of the year, namely:
(A) income tax payable to Her Majesty in right of Canada,
(B) income tax and logging tax payable to Her Majesty in right of a province, and
(C) income and profits taxes payable to the government of a country other than Canada;

"Tax period." (*c*) "tax period" means the period commencing on May 1, 1966, and ending on October 31, 1967;

"Trust." (*d*) "trust" means a trust that
(i) did not arise on death,
(ii) is not a charitable trust exempt from tax under this Act by paragraph (*g*) of subsection (1) of section 62, and
(iii) existed on May 1, 1966, or was created after that date; and

"Trust tax base." (*e*) "trust tax base" for a taxation year of a trust means the aggregate of
(i) its income or loss for the year from all businesses carried on by it, before making any deduction under subsection (4) of section 63, and for the purposes of this subparagraph, "loss" means a loss from a business carried on by a trust computed by applying the provisions of this Act respecting computation of income from a business *mutatis mutandis*,
(ii) its rental income or loss for the year, before making any deduction under subsection (4) of section 63, not included in computing the amount determined under subparagraph (i), and for the purpose of this subparagraph, "loss" means a rental loss from property rented by the trust computed by applying the provisions of this Act respecting computation of rental income *mutatis mutandis*,
(iii) amounts, not exceeding in the aggregate 50% of its gross revenue for the year used in computing the amounts described in subparagraphs (i) and (ii), deducted under paragraph (*a*) of subsection (1) of section 11 in computing the amounts described in subparagraphs (i) and (ii), but not including amounts so deducted in respect of property described in class 12 in Schedule B to the *Income Tax Regulations*, and

(iv) amounts deducted under paragraph (*b*) of subsection (1) of section 11 in computing the amounts specified in subparagraphs (i) and (ii),

minus the aggregate of

(v) $30,000,

(vi) the aggregate of the payments made in the year by the trust (not exceeding the amount included in the trust tax base by virtue of subparagraph (iii)) each of which was a payment as or on account of principal made in retirement of a debt owed by the trust, if

(A) the original term for full repayment of the debt was 3 years or longer,

(B) the payment was required to be made in the year under an agreement in writing entered into before March 30, 1966, and

(C) the payment was made to a person with whom the trust was dealing at arm's length, and

(vii) income and profits taxes payable in respect of the year to the government of a country other than Canada.

Tax.

105E. (1) Every corporation and trust shall pay a special refundable tax in an amount equal to 5% of its corporate tax base or trust tax base, as the case may be, for each taxation year of the corporation or trust included in whole or in part in the tax period.

Apportionment.

(2) Where a taxation year of a corporation or trust is in part outside the tax period and in part within the tax period, the corporate tax base or trust tax base of the corporation or trust shall, for the purposes of subsection (1), be deemed to be that proportion of the corporate tax base or trust tax base that the number of days in the taxation year that are in the tax period is of the total number of days in the taxation year.

Payment of tax by corporation.

105F. (1) Every corporation shall pay to the Receiver General of Canada

(*a*) on or before the last day of each month commencing with the month ending May 31, 1966 and ending with the month ending October 31, 1967, (each of which days is herein referred to as an instalment payment date), an instalment of the tax payable under this Part for the taxation year of the corporation in which the payment is required, estimated in accordance with subsection (2); and

(*b*) within 3 months after the end of a taxation year falling in whole or in part within the tax period, the balance, if any, of the tax payable under this Part in respect of such taxation year.

Calculation of instalment.

(2) Each instalment of tax payable by a corporation under paragraph (*a*) of subsection (1) shall be an amount equal to

(*a*) 5% of that proportion of

(i) the estimated corporate tax base of the corporation for the year, or

(ii) the actual corporate tax base of the corporation for its last preceding taxation year that ended more than 2 months before the instalment payment date

that

(iii) the number of days in the taxation year that are in the tax period

is of

(iv) the total number of days in the taxation year

divided by

(*b*) the number of instalment payment dates in the year.

Payment of tax by trusts.

105G. Every trust shall pay to the Receiver General of Canada

(*a*) on or before June 30, September 30 and December 31, 1966, and March 31, June 30 and September 30, 1967, respectively an amount equal to 1/3 of the tax payable under this Part for the taxation year of the trust in which the payment is required calculated on its estimated trust tax base for the year or on its trust tax base for the immediately preceding year, but where a payment is in respect of a taxation year of a trust that is in part outside the tax period and in part within the tax period, the trust tax base on which the payment is calculated shall be that proportion thereof that the number of days in the taxation year that are in the tax period is of the total number of days in the taxation year, and

(*b*) within 3 months after the end of a taxation year falling in whole or in part within the tax period, the balance, if any, of the tax in respect of such taxation year payable under this Part.

Returns.

105H. (1) A return under this Part for each taxation year included in whole or in part in the tax period shall, without notice or demand therefor, be filed with the Minister in prescribed form and containing prescribed information,

Corporations.

(*a*) in the case of a corporation, by or on behalf of the corporation within 6 months from the end of the year, and

Trusts.

(*b*) in the case of a trust, within 90 days from the end of the year, if it had gross revenue from rents or was carrying on a business at any time in the year.

Application of certain provisions of Part II.

(2) Subsection (2) of section 44, section 46 and sections 54 to 61A are applicable *mutatis mutandis* to this Part.

Income of trust or estate.

105I. (1) There may be deducted in computing the income of a trust for a taxation year for the purposes of Part I such part of the amount that would otherwise be its income for the year as was payable in respect of the year to the Receiver General of Canada under this Part.

Idem.

(2) There shall be included in computing the income of a trust for a taxation year for the purposes of Part I any amount refunded to the trust in the year under section 105J.

Refund of tax.

105J. (1) Tax paid under this Part shall be refunded by the Minister, with interest at the rate of 5% per annum calculated on each payment of tax from the end of the month in which such payment was received, at such time or times as the Governor in Council may by regulation prescribe, but in any case, not less than 18 months or more than 36 months after the later of

(*a*) the day on which the payment of tax to be so refunded was due, or

(*b*) the day on which such payment of tax was made.

Refund in event of bankruptcy.

(2) Notwithstanding subsection (1), where a corporation that has paid an amount on account of tax under this Part has become bankrupt, the amount so paid shall forthwith be refunded to the trustee in bankruptcy of that corporation together with interest to the date of payment calculated at the rate and in the manner provided in subsection (1).

Application to other taxes.

(3) Instead of making a refund that might otherwise be made under this section, the Minister may, where the taxpayer is liable or about to become liable to make another payment under this Act, apply the amount of the refund and the interest thereon, or any part thereof to that other liability and notify the taxpayer or the trustee in bankruptcy of the taxpayer of that action.

No further interest after refund date.

(4) Where by any regulation a repayment date that is not earlier than the day of publication of such regulation in the *Canada Gazette* is prescribed with respect to any instalment of tax paid under this Part, interest shall cease to accrue on such instalment on the day so prescribed.

Prescription of unpaid refunds.

(5) Her Majesty in right of Canada is not liable, and no action shall be taken, for or in respect of any unrefunded instalment of tax paid under this Part or any interest thereon where

(*a*) a repayment date with respect to the instalment was prescribed by regulation and reasonable efforts were made thereafter to locate the corporation or trust entitled to such refund;

(*b*) at least 5 years have elapsed since publication in the *Canada Gazette* of the regulation referred to in paragraph (*a*); and

(*c*) no claim whatever has been received by or on behalf of Her Majesty from the corporation or trust entitled to such refund."

(2) This section shall be deemed to have come into force on March 30, 1966.

13. (1) Clause (B) of subparagraph (ii) of paragraph (*b*) of subsection (1) of section 106 of the said Act is repealed and the following substituted therefor:

"(B) bonds of or guaranteed by the Government of Canada issued after December 20, 1960, and before April 16, 1966, the interest on which is payable to the government or central bank of a country other than Canada or to any international organization or agency prescribed by regulation, or

(C) bonds, debentures, notes, mortgages, hypothecs or similar obligations

1. of or guaranteed by the Government of Canada,
2. of the government of a province or an agent thereof,

Clause 13: The purpose of this amendment is to implement paragraph 3 of the Income Tax Resolution which reads as follows:

"3. That with respect to bonds or other obligations issued after April 15, 1966, interest on such bonds or other obligations

(*a*) of or guaranteed by the Government of Canada,

(*b*) of the government of a province,

(*c*) of an agent of a province, an educational institution or a hospital, where repayment of the principal amount thereof and payment of the interest thereon is guaranteed by the government of the province, or

(*d*) of a municipal or local government established under provincial law,

be exempt from the 15% non-resident withholding tax."

3. of a municipality in Canada or a municipal or public body performing a function of government in Canada,
4. of a corporation, commission or association not less than 90% of the shares or capital of which is owned by Her Majesty in right of a province or by a Canadian municipality, or of a subsidiary wholly-owned corporation that is subsidiary to such a corporation, commission or association,
5. of an educational institution or a hospital where repayment of the principal amount thereof and payment of the interest thereon is to be made, or is guaranteed, assured or otherwise specifically provided for or secured by the government of a province,

issued after April 15, 1966,"

(2) Subsection (3b) of section 106 of the said Act is repealed and the following substituted therefor:

Bonds issued after December 20, 1960 in exchange for earlier bonds.

"(3b) For the purposes of this Part, where any bond, except a bond to which clause (C) of subparagraph (ii) of paragraph (*b*) of subsection (1) applies, was issued after December 20, 1960, in exchange for a bond issued on or before that day, it shall, if the terms on which the bond for which it was exchanged was issued conferred upon the holder thereof the right to make the exchange, be deemed to have been issued on or before December 20, 1960."

14. All that portion of subsection (1) of section 107 of the said Act preceding paragraph (*a*) thereof is repealed and the following substituted therefor:

Tax non-payable by non-resident person.

"107. (1) Tax is not payable by a non-resident person under subsection (1a) of section 106 on a dividend in respect of a share of the capital stock of a foreign business corporation if not less than 90% of the aggregate of the amounts received or receivable by it that are required to be included in computing its income for the taxation year in which the dividend was paid was received or receivable in respect of the operation by it of public utilities or from mining, transporting and processing of ore in a country in which"

Clause 14: The purpose of this amendment is to extend the class of foreign business corporations, the dividends from which, when paid to non-residents, are not subject to tax. The class is extended to include foreign business corporations that receive 90% or more of income from business operations described by the underlined words.

15. All that portion of subsection (3a) of section 108 of the said Act preceding paragraph (*a*) thereof is repealed and the following substituted therefor:

Sale of treasury bills.

"(3a) Where a person resident in Canada has, at any time after March 16, 1961, sold to a non-resident person a treasury bill issued before April 16, 1966 by Her Majesty in right of Canada or a province, that proportion of the amount by which"

16. Section 125 of the said Act is amended by adding thereto, immediately after subsection (1) thereof, the following subsection:

Idem.

"(1a) Every registered Canadian charitable organization shall keep records and books of account (including a duplicate of each receipt containing prescribed information for a donation received by it) at an address in Canada recorded with the Minister or designated by the Minister in such form and containing such information as will enable the donations to it that are deductible under this Act to be verified."

17. Section 132A of the said Act is repealed and the following substituted therefor:

"Taxable" obligation" and "non-taxable obligation" defined.

"**132A.** (1) In this section, "taxable obligation" means any bond, debenture or similar obligation the interest on which would, if paid by the issuer to a non-resident person, be subject to the payment of tax under Part III by that non-resident person at the rate of 15%, and "non-taxable obligation" means any bond, debenture or similar obligation the interest on which would not, if paid by the issuer to a non-resident person, be subject to the payment of tax under Part III by that non-resident person.

Interest coupon to be identified in prescribed manner.

(2) Every person who, at any time after the coming into force of this subsection, issues

(a) any taxable obligation, or

(b) any non-taxable obligation

the right to interest on which is evidenced by a coupon or other writing that does not form part of, or is capable of being detached from, the evidence of indebtedness under the obligation is, unless the coupon or other writing is marked or identified in prescribed manner by the letters "AX" in the case of a taxable obligation, and by the letter "F" in the case of a non-taxable obligation, on the face thereof, guilty of an offence and liable, on summary conviction to a fine not exceeding $500."

Clause 15: This amendment is consequential on the amendment proposed in clause 13.

Clause 16: This amendment sets out the records that would be required of registered Canadian charitable organizations in consequence of the amendments proposed in clause 4.

Clause 17: This amendment, which would add the underlined and sidelined words, would provide that any person who issues a bond or similar obligation, the interest on which would not be subject to non-resident withholding tax if paid by the issuer to a non-resident, is guilty of an offence if the bond interest coupons are not marked or identified in such a way as to permit them to be easily distinguished from taxable interest coupons.

18. Section 133 of the said Act is repealed and the following substituted therefor:

Communication of information.

"**133.** (1) Except as authorized by this section, no official or authorized person shall

(*a*) knowingly communicate or knowingly allow to be communicated to any person any information obtained by or on behalf of the Minister for the purposes of this Act, or

(*b*) knowingly allow any person to inspect or to have access to any book, record, writing, return or other document obtained by or on behalf of the Minister for the purposes of this Act.

Idem.

(2) Notwithstanding any other Act or law, no official or authorized person shall be required, in connection with any legal proceedings,

(*a*) to give evidence relating to any information obtained by or on behalf of the Minister for the purposes of this Act, or

(*b*) to produce any book, record, writing, return or other document obtained by or on behalf of the Minister for the purposes of this Act.

Idem.

(3) Subsections (1) and (2) do not apply in respect of criminal proceedings, either by indictment or on summary conviction, under an Act of the Parliament of Canada, or in respect of proceedings relating to the administration or enforcement of this Act.

Exception.

(4) An official or authorized person may,

(*a*) in the course of his duties in connection with the administration or enforcement of this Act,

(i) communicate or allow to be communicated to an official or authorized person information obtained by or on behalf of the Minister for the purposes of this Act, and

(ii) allow an official or authorized person to inspect or to have access to any book, record, writing, return or other document obtained by or on behalf of the Minister for the purposes of this Act;

(*b*) under prescribed conditions, communicate or allow to be communicated information obtained under this Act, or allow inspection of or access to any written statement furnished under this Act to the government of any province in respect of which information and written statements obtained by the government of the province, for the purpose of a law of the province that imposes a tax similar to the tax imposed under this Act, is communicated or furnished on a reciprocal basis to the Minister; or

Clause 18: The purpose of this amendment is to provide for communication of information obtained under the *Income Tax Act* on the same basis that is provided for in the *Estate Tax Act*. Communication of information in contravention of the section is made an offence by the proposed subsection (6).

(*c*) communicate or allow to be communicated information obtained under this Act, or allow inspection of or access to any book, record, writing, return or other document obtained by or on behalf of the Minister for the purposes of this Act, to or by any person otherwise legally entitled thereto.

Exception.

(5) Notwithstanding anything in this section, the Minister may permit a copy of any book, record, writing, return or other document obtained by him or on his behalf for the purposes of this Act to be given to the person from whom such book, record, writing, return or other document was obtained or the legal representative of such person, or to the agent of such person or of such legal representative authorized in writing in that behalf.

Offence.

(6) Every one who, being an official or authorized person, contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine not exceeding $1,000 or to imprisonment for a term not exceeding two months, or to both such fine and imprisonment.

Definitions.

(7) In this section,

"Official."

(*a*) "official" means any person employed in or occupying a position of responsibility in the service of Her Majesty, or any person formerly so employed or formerly occupying a position therein; and

"Authorized person."

(*b*) "authorized person" means any person engaged or employed, or formerly engaged or employed, by or on behalf of Her Majesty to assist in carrying out the purposes and provisions of this Act."

19. (1) Paragraph (*ba*) of subsection (1) of section 139 of the said Act is repealed and the following substituted therefor:

Tax under Part I, II, IIA, IIB, IIC or IID.

"(*ba*) the tax payable by a taxpayer under Part I, II, IIA, IIB, IIC or IID means the tax payable by him as fixed by assessment or re-assessment subject to variation on objection or on appeal, if any, in accordance with the provisions of Part I, II, IIA, IIB, IIC or IID, as the case may be."

Clause 19: (1) This amendment is consequential on the addition of Part IID to the Act proposed in clause 12.

(2) This amendment would implement paragraph 8 of the Income Tax Resolution which reads as follows:

"8. That it be declared for greater certainty that the expression "in Canada" in the said Act includes and has always included the sea bed and sub-soil of the submarine areas adjacent to the coasts of Canada in respect of which grants are issued, by the Government of Canada or of a province, of a right, license or privilege to explore for, drill for or take any materials or substances."

(2) Section 139 of the said Act is further amended by adding thereto, immediately after subsection (11) thereof, the following subsection:

"In Canada."

"(12) The expression "in Canada" is, for greater certainty, hereby declared to include and to have always included for the purposes of this Act the sea bed and subsoil of the submarine areas adjacent to the coasts of Canada in respect of which grants are issued, by the Government of Canada or of a province, of a right, licence or privilege to explore for, drill for or take any petroleum, natural gas or minerals."

CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT.

20. (1) The *Canadian Vessel Construction Assistance Act* is repealed.

(2) Prescribed classes constituted under the *Canadian Vessel Construction Assistance Act* shall, on the coming into force of this section, be deemed to be prescribed classes for the purposes of paragraph (*a*) of subsection (1) of section 11 and section 20 of the *Income Tax Act* and the capital cost of property in each such class shall be deemed to be the capital cost of the property in the class, as determined under the *Canadian Vessel Construction Assistance Act* immediately before the coming into force of this section.

C-217.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-217.

An Act to amend the Criminal Code (Publication of ingredients of wonder drugs).

First reading, June 30, 1966.

Mr. KLEIN.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24680

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-217.

1953-54, cc. 51, 52; 1955, cc. 2, 45; 1956, c. 48; ss. 19, 20; 1957-58, c. 28; 1958, c. 18; 1959, cc. 40, 41; 1960, c. 37 and c. 45, s. 21; 1960-61, cc. 21, 42, 43, 44; 1962-63, c. 4; 1963, c. 8; 1964-65, c. 22, s. 10 and cc. 35, 53.

An Act to amend the Criminal Code (Publication of ingredients of wonder drugs).

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

1. The *Criminal Code* is amended by inserting immediately after section 306 thereof the following section:

Failure to reveal ingredients of a new drug or serum.

"**306A.** Every one who renders public the discovery of a drug or serum, for which curative effects for diseases including diseases now deemed to be terminal are claimed, or causes a press release to be issued or gives interviews to the press, claiming curative effects for such drug or serum, without first revealing all the ingredients of such drug or serum to the National Research Council of Canada, in order that a full and proper and adequate test be made by the said Council, is guilty of an offence punishable on summary conviction."

Explanatory Note.

The purpose of this Bill is to prohibit communication to the public of the curative effects of new drugs or wonder drugs so-called or serums, without first revealing to the National Research Council of Canada all the ingredients of such drugs or serums, in order that proper and adequate tests be made for the protection of the public.

C-218.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-218.

An Act to provide assistance to livestock feeders in Eastern Canada and British Columbia.

First reading, June 30, 1966.

THE MINISTER OF FORESTRY.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

23993

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-218.

An Act to provide assistance to livestock feeders in Eastern Canada and British Columbia.

HER 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 *Livestock Feed Assistance Act.*

INTERPRETATION.

Definitions.

2. (1) In this Act,

"Advisory Committee" or "Committee."

(*a*) "Advisory Committee" or "Committee" means the Livestock Feed Board Advisory Committee established by section 15;

"Board."

(*b*) "Board" means the Canadian Livestock Feed Board established by section 3;

"British Columbia."

(*c*) "British Columbia" means the Province of British Columbia other than

(i) the part known as the Peace River District, and

(ii) except for the purpose of making payments related to the cost of feed grain transported into the Creston-Wynndel Areas, the part known as the Creston-Wynndel Areas;

"Chairman."

(*d*) "Chairman" means the Chairman of the Board;

"Designated area."

(*e*) "designated area" means that area comprised of the Provinces of Manitoba, Saskatchewan and Alberta and those parts of the Province of British Columbia known as the Peace River District and the Creston-Wynndel Areas;

"Eastern Canada."

(*f*) "Eastern Canada" means all that part of Canada lying east of the meridian passing through the eastern boundary of the City of Port Arthur and such other areas in Ontario as the Governor in Council may designate;

"Feed grain."

(*g*) "feed grain" means wheat, other than grades of wheat grown in the designated area and designated by regulation not to be feed grain for the purposes of this Act, oats and barley and such other grains and grain products as may be designated by regulation as feed grain for the purposes of this Act;

"Livestock."

(*h*) "livestock" means cattle, sheep, swine and poultry and such other classes of livestock as may be designated by regulation as livestock for the purposes of this Act;

"Livestock feeder."

(*i*) "livestock feeder" means a person who raises livestock in Eastern Canada or British Columbia;

"Minister."

(*j*) "Minister" means such member of the Queen's Privy Council for Canada as is designated by the Governor in Council;

"Order."

(*k*) "order" means an order of the Board and includes "instructions to the trade" issued by the Board;

"Regulation."

(*l*) "regulation" means a regulation made by the Governor in Council under this Act; and

"Vice-Chairman."

(*m*) "Vice-Chairman" means the Vice-Chairman of the Board.

Words and expressions.

(2) Unless otherwise provided, words and expressions used in this Act have the same meaning as in the *Canada Grain Act*.

Canadian Livestock Feed Board.

Board established.

3. A corporation is hereby established to be known as the Canadian Livestock Feed Board, consisting of not less than three nor more than five members appointed by the Governor in Council.

Tenure of office.

4. (1) Each of the members of the Board shall be appointed to hold office during good behaviour but may be removed for cause at any time by the Governor in Council, and no member shall hold office beyond the age of seventy years.

Chairman and Vice-Chairman.

(2) The Governor in Council shall designate one of the members as Chairman and another as Vice-Chairman of the Board, and at meetings of the Board the Chairman, and in his absence the Vice-Chairman, shall preside.

Objects, Powers and Duties.

Objects.

5. The objects of the Board are to ensure

(*a*) the availability of feed grain to meet the needs of livestock feeders;

(*b*) the availability of adequate storage space in Eastern Canada for feed grain to meet the needs of livestock feeders;

(*c*) reasonable stability in the price of feed grain in Eastern Canada and in British Columbia; and

(*d*) fair equalization of feed grain prices in Eastern Canada and in British Columbia.

Powers.

6. The Board may, in furtherance of its objects,

(*a*) make

(i) payments related to the cost of feed grain storage in Eastern Canada, and

(ii) payments related to the cost of feed grain transportation,

to or for the benefit of livestock feeders in accordance with the regulations;

(*b*) conduct negotiations with any agency or person involved in feed grain storage or handling for the purpose of reducing or stabilizing the cost of storage and handling and for the purpose of obtaining adequate storage space for feed grain in Eastern Canada;

(*c*) allocate space reserved for its use in any storage facility among persons requiring feed grain storage facilities in Eastern Canada;

(*d*) conduct negotiations for the obtaining of licences for the importation of feed grain into Canada for use outside the designated area and, within the provisions of any such licence obtained in its name, contract with feed grain dealers in Canada for the importation of feed grain by them into Canada under the terms of such licence;

(*e*) with the approval of the Governor in Council, acquire, hold or dispose of real property;

(*f*) carry out or enter into contracts or other arrangements for carrying out studies relating to feed grain prices;

(*g*) by order served personally or by registered mail, require any person engaged in the business of storing, handling or shipping feed grain in Eastern Canada or British Columbia,

or any livestock feeder, to furnish in writing to the Board within such reasonable time as may be stipulated in the order, information relating to feed grain consumption, storage, handling, shipping or pricing in Eastern Canada or British Columbia;

(*h*) establish branches in Canada or employ agents of the Board in Canada or elsewhere;

(*i*) authorize any officer or employee of the Board or any other person to act on behalf of the Board in the conduct of its operations under this Act;

(*j*) act as agent for or on behalf of any Minister of the Crown or as agent of Her Majesty in right of Canada in respect of any operations that it may be directed to carry out by the Governor in Council; and

(*k*) generally, do and authorize such acts and things as are necessary or incidental to the attainment of the objects and purposes of the Board and the exercise of its powers and the performance of its duties.

Duties.

7. (1) It shall be the duty of the Board

(*a*) to make a continuing study of feed grain requirements in Eastern Canada and British Columbia, of the availability of feed grain and of the requirements for additional feed grain storage facilities in those areas;

(*b*) to make recommendations to the Minister with respect to the requirements for additional feed grain storage facilities in Eastern Canada;

(*c*) generally, to advise the government on all matters pertaining to the stabilization and fair equalization of feed grain prices to livestock feeders; and

(*d*) to the greatest possible extent consistent with its objects, to consult and cooperate with all departments, branches or other agencies of the Government of Canada or of any province having duties related to, or having aims or objects related to those of the Board.

Special inquiries and investigations.

(2) The Governor in Council may, from time to time, empower the Board to make inquiries and investigations in respect of any matter directly related to

(*a*) transportation, storage or handling of feed grain in Eastern Canada and British Columbia,

(*b*) supplies and prices of feed grain in such areas, and

(*c*) payments related to the cost of feed grain storage or transportation made under this Act,

and for the purposes of any such inquiry or investigation, empower the Board or any of the members thereof to exercise the powers of a person appointed as a commissioner under Part I of the *Inquiries Act*.

ADDITIONAL POWERS.

Purchase, etc. of feed grain.

8. (1) The Board may, in furtherance of its objects, at any time when it is so authorized by regulation

(*a*) buy or enter into contracts or agreements for the purchase of feed grain in Eastern Canada and British Columbia and in the designated area, but where any purchase is made by the Board within the designated area of grain then being purchased in that area by the Canadian Wheat Board, such purchase by the Board shall be made from the Canadian Wheat Board or an agent thereof;

(*b*) within the provisions of any licence obtained in its name authorizing it to import feed grain, buy or enter into contracts or agreements for the purchase of feed grain outside Canada and import such feed grain into Canada; and

(*c*) take delivery of, ship, store, handle and, subject to subsection (2), sell or otherwise dispose of feed grain in Eastern Canada or British Columbia and enter into contracts for the delivery, shipping, storage, handling, insurance and sale or other disposition of such feed grain.

Sale of feed grain.

(2) The Board shall sell or otherwise dispose of feed grain acquired by it pursuant to this section in accordance with sound commercial practices for such price as it considers reasonable with the object of recovering the costs incurred by it in respect of the feed grain, including the purchase price of the feed grain, costs of handling, storage and transportation thereof and any administration costs applicable to the purchase and sale thereof minus any payments related to the cost of feed grain storage or to the cost of feed grain transportation paid by the Board to its own account pursuant to paragraph (*a*) of section 6 in respect of the feed grain.

ORGANIZATION.

Board agent of Her Majesty.

9. (1) The Board is, for all purposes of this Act, an agent of Her Majesty, and its powers under this Act may be exercised only as an agent of Her Majesty.

Contracts.

(2) The Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board.

Property.

(3) Property acquired by the Board is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Board.

Proceedings.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Board in the name of the Board in any court that would have jurisdiction if the Board were not an agent of Her Majesty.

By-laws.

10. The Board may, subject to the approval of the Governor in Council, make by-laws for the regulation of its proceedings and generally for the conduct of its activities.

Chairman to be chief executive officer.

11. The Chairman is the chief executive officer of the Board and has supervision over and direction of the work and staff of the Board.

Salaries and expenses.

12. Members of the Board shall be paid such salaries as are fixed by the Governor in Council, and each member is entitled to be paid reasonable travelling and living expenses while absent from his ordinary place of residence in the course of his duties under this Act.

Quorum.

13. (1) A majority of the members constitutes a quorum of the Board.

Vacancy.

(2) A vacancy in the membership of the Board does not impair the right of the remaining members to Act.

Officers, employees.

14. (1) The Board may

(*a*) appoint such officers and employees as are necessary for the proper conduct of the work of the Board; and

(*b*) prescribe the duties of such officers and employees and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.

Salaries and expenses of staff.

(2) The officers and employees of the Board appointed as provided in subsection (1) shall be paid such salaries and expenses as are fixed by the Board with the approval of the Treasury Board.

ADVISORY COMMITTEE.

Canadian Livestock Feed Board Advisory Committee.

15. (1) There shall be a committee to be known as the Canadian Livestock Feed Board Advisory Committee consisting of not less than five nor more than seven members each of whom shall be appointed by the Governor in Council for such term, not exceeding five years, as will ensure as far as possible the expiration in any one year of

the terms of appointment of not more than two members, and one of whom shall be appointed by the Governor in Council to be the Chairman of the Committee.

Remuneration and expenses of members.

(2) Each of the members of the Advisory Committee is entitled to be paid such allowance for each day he attends any meeting of the Committee as may be fixed by the Governor in Council and is entitled to be paid reasonable travelling and living expenses while absent from his ordinary place of residence in the course of his duties as a member of the Committee.

Meetings.

(3) The Advisory Committee shall meet at least once a year at the headquarters of the Board, and at such other times and places as it deems necessary in order to carry out its duties under this Act.

Idem.

(4) The Minister or the Board may call meetings of the Advisory Committee to be held at such time and place as he or it may determine.

Rules of procedure.

(5) The Advisory Committee may make such rules as it deems necessary for the regulation of its proceedings, for the fixing of a quorum for any of its meetings and generally for the conduct of its activities.

Duties of the Committee.

(6) It shall be the duty of the Advisory Committee

(*a*) to study and review all matters relating to feed grain transportation, storage, prices and consumption that are referred to it either by the Minister or by the Board; and

(*b*) to report to the Minister and the Board, with any recommendations that the Committee considers desirable, the results of each study and review conducted by it.

Financial.

Appropriations.

16. (1) All expenditures under this Act, including amounts required for

(*a*) payments related to the cost of feed grain transportation or the cost of feed grain storage made under paragraph (*a*) of section 6, and

(*b*) payment of salaries and other expenses including expenses of administration,

but excluding amounts described in subsection (2), shall be paid out of moneys appropriated by Parliament therefor.

Payments out of C.R.F.

(2) Subject to subsection (4), all amounts required by the Board to defray any costs incurred by it pursuant to subsection (1) of section 8 shall be paid out of the Consolidated Revenue Fund.

Canadian Livestock Feed Board Account.

(3) There shall be established in the Consolidated Revenue Fund an Account to be known as the Canadian Livestock Feed Board Account to which shall be credited all moneys received from the sale or other disposition of feed grain by the Board pursuant to subsection (2) of section 8 and to which shall be charged all amounts paid out under subsection (2) of this section.

Maximum payment.

(4) No payment out of the Consolidated Revenue Fund under subsection (2) shall exceed

(*a*) the amount by which ten million dollars exceeds the balance of the Canadian Livestock Feed Board Account, and

(*b*) any amount advanced under section 17.

"Balance of Canadian Livestock Feed Board Account" defined.

(5) For the purpose of subsection (4), "balance of the Canadian Livestock Feed Board Account" means the aggregate of all payments charged to the Account minus the aggregate of all amounts credited to the Account.

Advances.

17. The Governor in Council may authorize the Minister of Finance, on behalf of Her Majesty, to make advances to the Board on such terms and conditions as may be agreed upon.

Audit.

18. The accounts and financial transactions of the Board shall be audited annually by the Auditor General and a report of the audit shall be made to the Minister and to the Board.

REGULATIONS.

Regulations.

19. The Governor in Council may make regulations,

(*a*) prescribing, with respect to payments related to the cost of feed grain storage and with respect to payments related to the cost of feed grain transportation, the classes of persons to whom and the terms and conditions on which such payments may be made and the rate of such payments within each of such areas within Eastern Canada and British Columbia as may be prescribed by the regulations;

(*b*) authorizing the Board to exercise the powers conferred on it by section 8 for any period or periods prescribed by the regulations, but in no case shall any period so prescribed be of a duration that is less than the remainder of the crop year in which such regulation is made;

(*c*) designating

(i) any area in Ontario lying west of the meridian passing through the eastern boundary of the City of Port Arthur to be part of Eastern Canada,

(ii) any grade of wheat grown in the designated area not to be a feed grain,

(iii) any grain or grain product to be a feed grain, or

(iv) any class of livestock to be livestock for the purposes of this Act;

(*d*) designating any city in Eastern Canada to be the city in which the headquarters of the Board shall be situated; and

(*e*) with respect to any other matter concerning which he deems regulations necessary or desirable to carry out the purposes and provisions of this Act.

OFFENCES.

Offence and punishment.

20. (1) Every person who

(*a*) knowingly makes a false or misleading statement in any application or declaration made under this Act or the regulations or makes any such application or declaration that by reason of any non-disclosure of facts is false or misleading, or obtains any feed grain storage payment or feed grain cost equalization payment by false pretences, or

(*b*) fails to comply with an order issued to him pursuant to this Act

is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

Officer, director or agent of a corporation.

(2) Where a corporation is guilty of an offence under this section, every officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the offence is a party to and guilty of the offence and is liable on summary conviction to the punishment provided by subsection (1) whether or not the corporation has been prosecuted or convicted therefor.

Limitation on offences.

(3) A prosecution under subsection (1) may be instituted within two years from the time when the subject matter of the complaint arose.

Evidence.

21. In any proceedings in any court or before any justice of the peace taken in respect of any alleged offence under section 20, a document purporting to be a copy of an order issued pursuant to this Act certified by a member of

the Board is, without proof of the signature of the member of the Board, admissible in evidence and has the same probative force as the original document would have if it were proven in the ordinary way.

Report to Parliament.

Annual report to be made.

22. The Board shall on or before the 31st day of March or such other day as the Governor in Council may fix, transmit to the Minister a report relating to the activities of the Board for the crop year ending on the 31st day of the month of July preceding the date of such report including the financial statements of the Board and the Auditor General's report thereon, and the Minister shall cause such report to be laid before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

C-219.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-219.

An Act to amend the Criminal Code (Maltreatment of a Child).

First reading, July 6, 1966.

Mr. IRVINE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24703

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-219.

1953-54, cc. 51, 52; 1955, cc. 2, 45; 1956, c. 48; ss. 19, 20; 1957-58, c. 28; 1958, c. 18; 1959, cc. 40, 41; 1960, c. 37 and c. 45, s. 21; 1960-61, cc. 21, 42, 43, 44; 1962-63, c. 4; 1963, c. 8; 1964-65, c. 22, s. 10 and cc. 35, 53.

An Act to amend the Criminal Code (Maltreatment of a Child).

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

1. The *Criminal Code* is amended by inserting immediately after section 189 thereof, the following section:

Failure to report maltreatment of a child.

"**189A.** Every one, being a member of the medical profession, who fails to report within a week of his knowledge of the facts to the Attorney General of the province in which he is practising, any bodily injury to a child, which, in his opinion, may have been caused by maltreatment, is guilty of an indictable offence or an offence punishable on summary conviction and is liable to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding three months, or to both fine and imprisonment."

Explanatory Notes.

The purpose of this Bill is to compel all members of the medical profession to report to the Attorney General of their Province, within a week, any bodily injury to a child which, in their opinion, may have been caused by maltreatment.

The provincial attorneys general, under whom comes the responsibility for the administration of justice in the Province would then be in a better position to apply the law, and lay the appropriate charges.

C-220.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-220.

An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration.

First reading, July 6, 1966.

MINISTER OF CITIZENSHIP AND IMMIGRATION.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24676

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-220.

An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration.

HER 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 *Immigration Appeal Board Act.*

INTERPRETATION.

Definitions.

2. In this Act,

"Board."

(*a*) "Board" means the Immigration Appeal Board established by this Act;

"Canadian citizen."

(*b*) "Canadian citizen" means a person who is a Canadian citizen within the meaning of the *Canadian Citizenship Act*;

"Chairman."

(*c*) "Chairman" means the Chairman of the Board;

"Hearing."

(*d*) "hearing" means a further examination or inquiry conducted by a Special Inquiry Officer under the *Immigration Act*;

"Member."

(*e*) "member" means a member of the Board;

"Minister."

(*f*) "Minister" means the Minister of Manpower and Immigration;

"Permanent resident."

(*g*) "permanent resident" means a person who has been granted lawful admission to Canada for permanent residence under the *Immigration Act*;

"Vice-Chairman."

(*h*) "Vice-Chairman" means the Vice-Chairman of the Board; and

Other words and expressions.

(*i*) other words and expressions in this Act have the same meaning as in the *Immigration Act.*

IMMIGRATION APPEAL BOARD ESTABLISHED.

Board established.

3. (1) There shall be a board, to be called the Immigration Appeal Board, consisting of seven members to be appointed by the Governor in Council.

Tenure of members.

(2) Subject to subsection (3), each member shall be appointed to hold office during good behaviour but may be removed by the Governor in Council for cause.

Retirement age.

(3) A member ceases to hold office upon attaining the age of seventy years.

Age limit for appointment.

(4) No person who has attained the age of sixty-five years shall be appointed a member.

Chairman and Vice-Chairman.

(5) The Governor in Council shall designate one of the members to be Chairman of the Board and one of the members to be Vice-Chairman of the Board.

Absence or incapacity.

(6) In the event of the absence or incapacity of the Chairman, Vice-Chairman or any other member or if the office of such person is vacant, the Minister may appoint some other person qualified to hold such office to act in his stead during his absence or incapacity or until the vacancy is filled, as the case may be, but where the Chairman is absent or unable to act or his office is vacant and no person has been so appointed to act in his stead, the Vice-Chairman has and may exercise and perform all of the duties and powers of the Chairman.

Qualifications of members.

(7) The Chairman and at least two other members shall be barristers or advocates of at least ten years' standing at the bar of a province.

Remuneration and expenses.

4. Each member shall be paid such remuneration for his services as is fixed by the Governor in Council, and is entitled to be paid reasonable travelling and living expenses incurred by him while absent from his ordinary place of residence in the course of his duties under this Act.

Chairman chief executive officer.

5. The Chairman is the chief executive officer of the Board and has supervision over and direction of the work and the staff of the Board.

Head office.

6. (1) The head office of the Board shall be at the City of Ottawa and the Chairman and other members shall live there or within fifteen miles thereof or at such other places as may be designated by the Governor in Council.

Quorum.

(2) The Chairman or the Vice-Chairman and not less than two other members constitute a quorum of the the Board.

Court of record.

7. (1) The Board is a court of record and shall have an official seal, which shall be judicially noticed.

Power of Board to examine witnesses, etc.

(2) The Board has, as regards the attendance, swearing and examination of witnesses, the production and inspection of documents, the enforcement of its orders and other matters necessary or proper for the due exercise of its jurisdiction, all such powers, rights and privileges as are vested in a superior court of record and, without limiting the generality of the foregoing, may

(*a*) issue a summons to any person requiring him to appear at the time and place mentioned therein to testify to all matters within his knowledge relative to a subject matter before the Board and to bring with him and produce any document, book or paper that he has in his possession or under his control relative to such subject matter;

(*b*) administer oaths and examine any person upon oath, affirmation or otherwise; and

(*c*) receive such additional information as it may consider credible or trustworthy and necessary for dealing with the subject matter before it.

Board may make rules.

8. (1) The Board may, subject to the approval of the Governor in Council, make rules not inconsistent with this Act governing the activities of the Board and the practice and procedure in relation to appeals to the Board under this Act.

Publication.

(2) No rule made pursuant to subsection (1) has effect until it has been published in the *Canada Gazette*.

Appointment of officers, clerks, etc.

9. (1) Such officers, clerks and employees as are necessary for the proper conduct of the work of the Board shall be appointed in accordance with the *Public Service Employment Act*.

Application of *P.S.S. Act*.

(2) For the purposes of the *Public Service Superannuation Act* the members appointed under subsection (1) of section 3 and the officers, clerks and employees appointed as provided in subsection (1) of this section shall be deemed to be employed in the Public Service.

Hearing and Determination of Appeals.

Hearing and determination by one or more members.

10. (1) The Chairman may direct that an appeal under this Act be heard and determined on behalf of the Board by any member or members designated by him and the member or members so designated have and may exercise all the powers of the Board in relation to the hearing and determination of the appeal.

Reference to Board.

(2) The member or members designated to hear and determine an appeal may, at any stage, refer the appeal to the Board and the Board shall then in its discretion either hear and determine the appeal or determine the appeal on the report of the said member or members if the report was made after the hearing of the parties.

Taking of evidence by member.

(3) Where an appeal is to be determined by the Board, the Chairman or the Board may direct that evidence relating to the appeal, in whole or in part, be received by a member thereof and the Board shall

(*a*) after receiving the member's report, and

(*b*) after holding a rehearing, in whole or in part, if in its discretion it deems it advisable to do so,

determine the appeal.

Powers of member.

(4) A member receiving evidence pursuant to subsection (3) has for that purpose all the powers of the Board.

APPEALS FROM ORDERS OF DEPORTATION.

Appeal on question of law or fact.

11. A person against whom an order of deportation has been made under the provisions of the *Immigration Act* may appeal to the Board on any ground of appeal that involves a question of law or fact or mixed law and fact.

Appeal by Minister.

12. The Minister may appeal to the Board on any ground of appeal that involves a question of law or fact, or mixed law and fact, from a decision by a Special Inquiry Officer that a person in respect of whom a hearing has been held is not within a prohibited class or is not subject to deportation.

Reopening of hearing and additional evidence.

13. The Board may order a hearing reopened before the Special Inquiry Officer who presided at the hearing or before some other Special Inquiry Officer for the receiving of any additional evidence or testimony, and the Special Inquiry Officer who presides at the reopened hearing shall file a copy of the minutes of the reopened hearing, together with his assessment of such additional evidence or testimony, with the Board for its consideration in disposing of the appeal.

Disposition of appeal.

14. The Board may dispose of an appeal under section 11 or section 12 by

(*a*) allowing it;

(*b*) dismissing it; or

(*c*) rendering the decision and making the order that the Special Inquiry Officer who presided at the hearing should have rendered and made.

Execution of order.

15. (1) Where the Board dismisses an appeal against an order of deportation or makes an order of deportation pursuant to paragraph (*c*) of section 14, it shall direct that the order be executed as soon as practicable, except that

(*a*) in the case of a person who was a permanent resident at the time of the making of the order of deportation, having regard to all the circumstances of the case, or

(*b*) in the case of a person who was not a permanent resident at the time of the making of the order of deportation, having regard to

(i) the existence of reasonable grounds for believing that if execution of the order is carried out the person concerned will be punished for activities of a political character or will suffer unusual hardship, or

(ii) the existence of other exceptional circumstances,

the Board may direct that the execution of the order of deportation be stayed.

Terms of stay of execution.

(2) Where, pursuant to subsection (1), the Board directs that execution of an order of deportation be stayed, it shall allow the person concerned to remain in Canada under such terms and conditions as it may prescribe and shall review the case from time to time as it considers necessary or advisable.

Board may amend terms or cancel direction.

(3) The Board may at any time

(*a*) amend the terms and conditions prescribed under subsection (2) or impose new terms and conditions; or

(*b*) cancel its direction staying the execution of an order of deportation and direct that the order be executed as soon as practicable.

Quashing of deportation order, etc.

(4) Where the execution of an order of deportation

(*a*) has been stayed pursuant to paragraph (*a*) of subsection (1), the Board may at any time quash the order; or

(*b*) has been stayed pursuant to paragraph (*b*) of subsection (1), the Board may at any time

quash the order and direct the grant of entry or landing to the person against whom the order was made.

Return to Canada for hearing of appeal.

16. Where a person who has been ordered deported and who has been returned to the place whence he came to Canada in accordance with the requirements of subsection (1) of section 24 of the *Immigration Act*, advises the Board in writing of his desire to appear in person before the Board on the hearing of his appeal against the order of deportation, the Board may allow such person to return to Canada for that purpose under such terms and conditions as it may prescribe.

APPEALS BY SPONSORS.

Appeal from refusal to approve application.

17. A Canadian citizen who has made application for the admission into Canada of a relative pursuant to regulations made under the *Immigration Act* may appeal to the Board from a refusal to approve the application, and if the Board decides that the person whose admission is being sponsored and the sponsor of that person meet all the requirements of the *Immigration Act* and the regulations made thereunder relevant to the approval of the application, the application shall be approved, but an appeal under this section may be taken only in respect of such classes of relatives referred to in the regulations as may be designated by order of the Governor in Council.

RELEASE PENDING HEARING.

Order of release.

18. (1) A person who is being detained pending the hearing and disposition of an appeal under this Act may apply to the Board for his release and the Board may, notwithstanding anything in the *Immigration Act*, order his release.

Recognizance.

(2) A person may be released under subsection (1) upon entering into

(*a*) a recognizance before the Board, or a member thereof, in such form and with sufficient sureties in such amount as the Board directs;

(*b*) his own recognizance before the Board, or a member thereof, and depositing with the Board such sum of money as the Board directs; or

(*c*) his own recognizance before the Board, or a member thereof, in such amount as the Board directs without any deposit;

and the recognizance shall prescribe such conditions of release as the Board deems advisable, including the time and place at which the person released shall report to an immigration officer.

Cancellation of order, etc.

(3) The Board may at any time,

(*a*) cancel an order of release and direct that the person concerned be returned to custody;

(*b*) vary the amount of a recognizance or deposit; or

(*c*) vary the conditions of any release ordered by it.

Failure to comply with order.

(4) Where a person released under subsection (1) fails to comply with any of the conditions under which he was released, the Board, or a member thereof, may make an order for his arrest and detention and the Board may order the forfeiture of the amount of the recognizance or deposit given or made by him.

Debt due to Crown.

(5) Where the Board orders any forfeiture under subsection (4), the principal and his sureties become debtors of the Crown, each in the amount he has pledged himself to pay and the debt is, subject to subsection (6), recoverable in the Exchequer Court of Canada as a debt due to the Crown.

Delivery over of deposit.

(6) Where a deposit has been made by a person against whom an order of forfeiture has been made under subsection (4), the amount of the deposit shall be delivered to the Receiver General of Canada.

Authority to arrest and detain.

(7) An order for arrest and detention made under this section is, notwithstanding any other Act or law, sufficient authority for the person to whom it is addressed to arrest and detain the person concerned, and any such order may be addressed generally to peace officers or immigration officers or both.

NOTICE AND HEARING.

Notice of appeal.

19. An appellant who proposes to appeal to the Board shall give notice of the appeal in such manner and within such time as is prescribed by the rules of the Board.

Hearing of appeal.

20. An appeal to the Board shall be heard in public but if the appellant so requests the Board may in its discretion direct that it be heard *in camera*.

SECURITY.

Certificate of Minister and Solicitor General.

21. (1) Notwithstanding anything in this Act, the Board shall not,

(*a*) in the exercise of its discretion under section 15, stay the execution of an order of deportation or, where any such stay has been granted, continue or renew the stay, or

(*b*) render a decision pursuant to section 17 that a person whose admission is being sponsored and the sponsor of that person meet the requirements referred to in that section,

if a certificate signed by the Minister and the Solicitor General is filed with the Board stating that in their opinion, based upon security or criminal intelligence reports received and considered by them, it would be contrary to the national interest to stay the execution of the order, continue or renew the stay or render the decision, as the case may be.

Evidence.

(2) A certificate purporting to be signed by the Minister and the Solicitor General pursuant to subsection (1) shall be deemed to have been signed by them and shall be received by the Board without proof of the signatures or official character of the persons appearing to have signed the same unless called into question by the Minister or the Solicitor General, and the certificate is conclusive proof of the matters stated therein.

EXCLUSIVE JURISDICTION OF BOARD AND APPEALS TO SUPREME COURT.

Jurisdiction of Board.

22. Subject to this Act and except as provided in the *Immigration Act*, the Board has sole and exclusive jurisdiction to hear and determine all questions of fact or law, including questions of jurisdiction, that may arise in relation to the making of an order of deportation or the making of an application for the admission to Canada of a relative pursuant to regulations made under the *Immigration Act*.

Appeal to Supreme Court of Canada.

23. (1) An appeal lies to the Supreme Court of Canada on any question of law, including a question of jurisdiction, from a decision of the Board on an appeal under this Act if leave to appeal is granted by that Court within fifteen days after the decision appealed from is pronounced or within such extended time as a judge of that Court may, for special reasons, allow.

Rules governing appeals to Supreme Court of Canada.

(2) The Governor in Council may make rules governing the practice and procedure in relation to applications for leave to appeal and appeals to the Supreme Court of Canada pursuant to this section, and such rules shall be binding notwithstanding any rule or practice that would otherwise be applicable.

Costs.

(3) No order as to costs shall be made in respect of an application for leave to appeal or an appeal to the Supreme Court of Canada pursuant to this section.

24676—2

CONSEQUENTIAL AMENDMENTS.

R.S., c. 325.

24. Paragraph (*k*) of section 2 of the *Immigration Act* is repealed.

25. Subsection (5) of section 7 of the said Act is repealed and the following substituted therefor:

Minister may order deportation.

"(5) The Minister may make a deportation order against a person referred to in subsection (4)."

26. (1) Subsections (1) and (2) of section 8 of the said Act are repealed and the following substituted therefor:

Issue of permits.

"**8.** (1) The Minister may issue a written permit authorizing any person to enter Canada or, being in Canada, to remain therein, other than

(*a*) a person under order of deportation who was not issued such a written permit before the coming into force of this subsection, or

(*b*) a person in respect of whom an appeal under section 17 of the *Immigration Appeal Board Act* has been taken that has not been successful.

Period of permit.

(2) A permit shall be expressed to be in force for a specified period not exceeding twelve months."

(2) Subsection (4) of section 8 of the said Act is repealed and the following substituted therefor:

Deportation following termination of permit.

"(4) The Minister may, upon the cancellation or expiration of a permit, make a deportation order respecting the person concerned."

27. Section 12 of the said Act is repealed.

28. Sections 30 and 31 of the said Act are repealed.

29. Section 39 of the said Act is repealed.

Clause 24: The paragraph being repealed reads as follows:

"(*k*) "Immigration Appeal Board" means a board constituted under this Act to consider and decide appeals from deportation orders;"

Clause 25: Subsection (5) at present reads as follows:

"(5) The Minister may make a deportation order against a person referred to in subsection (4) *and such person has no right of appeal from the deportation order and shall be deported as soon as practicable.*"

Clause 26: (1) Subsections (1) and (2) at present read as follows:

"**8.** (1) The Minister may issue a written permit authorizing any person to enter Canada or, being in Canada, to remain therein.

(2) A permit shall be expressed to be in force for a specified period not exceeding twelve months, *and during the time that it is in force a permit stays the execution of any deportation order that may have been made against the person concerned.*"

(2) Subsection (4) at present reads as follows:

"(4) The Minister may, upon the cancellation or expiration of a permit, make a deportation order respecting the person concerned *and such person has no right of appeal from the deportation order and shall be deported as soon as practicable.*"

Clause 27: Section 12 at present reads as follows:

"**12.** (1) The Minister may nominate such persons as he deems necessary to serve on Immigration Appeal Boards.

(2) An Immigration Appeal Board shall be composed of at least three persons.

(3) The Special Inquiry Officer who made the deportation order appealed from shall not serve on the Immigration Appeal Board constituted to hear an appeal against such deportation order."

Clauses 28 and 29: The sections being repealed read as follows:

"**30.** No appeal may be taken from a deportation order respecting any person who is ordered deported as a member of a prohibited class described in paragraph (*a*), (*b*) or (*s*) of section 5 where the decision is based upon a certificate of the examining medical officer or as a person described in paragraph (*d*) of subsection (1) of section 19.

31. (1) Except in the case of a deportation order referred to in subsection (5) of section 7, subsection (4) of section 8 or section 30, an appeal may be taken by the person concerned from a deportation order if the appellant forthwith serves a notice of appeal upon an immigration officer or upon the person who served the deportation order.

(2) All appeals from deportation orders shall be reviewed and decided upon by the Minister with the exception of appeals that the Minister directs should be dealt with by an Immigration Appeal Board.

(3) An Immigration Appeal Board or the Minister, as the case may be, has full power to consider all matters pertaining to a case under appeal and to allow or dismiss any appeal, including the power to quash an opinion of a Special Inquiry Officer that has the effect of bringing a person into a prohibited class and to substitute the opinion of the Board or of the Minister for it.

(4) The Minister may in any case review the decision of an Immigration Appeal Board and confirm or quash such decision or substitute his decision therefor as he deems just and proper and may, for these purposes, direct that the execution of the deportation order concerned be stayed pending his review and decision, and the decision of the Minister on appeals dealt with or reviewed by him or the decision of the majority of an Immigration Appeal Board on appeals, other than those reviewed by the Minister, is final.

.....

39. No court and no judge or officer thereof has jurisdiction to review, quash, reverse, restrain or otherwise interfere with any proceeding, decision or order of the Minister, Deputy Minister, Director, Immigration Appeal Board, Special Inquiry Officer or immigration officer had, made or given under the authority and in accordance with the provisions of this Act relating to the detention or deportation of any person, upon any ground whatsoever, unless such person is a Canadian citizen or has Canadian domicile."

30. Section 62 of the said Act is repealed and the following substituted therefor:

Regulations respecting procedure, duties, etc.

"**62.** The Minister may make regulations, not inconsistent with this Act, respecting the procedure to be followed upon examinations and inquiries under this Act and the duties and obligations of immigration officers and the methods and procedure for carrying out such duties and obligations whether in Canada or elsewhere."

31. Subsection (1) of section 64 of the said Act is repealed and the following substituted therefor:

Proof of documents.

"**64.** (1) Every document purporting to be a deportation order, rejection order, warrant, order, summons, direction, notice or other document over the name in writing of the Minister, Director, Special Inquiry Officer, immigration officer or other person authorized under this Act to make such document is, in any prosecution or other proceeding under or arising out of this Act or the *Immigration Appeal Board Act*, admissible in evidence as *prima facie* proof of the facts contained therein, without proof of the signature or the official character of the person appearing to have signed the same, unless called in question by the Minister or some other person acting for him or Her Majesty."

TRANSITIONAL.

32. This Act applies in respect of

(*a*) any order of deportation made after the coming into force of this Act, and any order of deportation made before the coming into force of this Act that has not been executed, where no appeal therefrom has been taken under section 31 of the *Immigration Act*; and

(*b*) a refusal to approve an application for the admission of a relative, submitted after the making of any order by the Governor in Council pursuant to section 17 of this Act.

COMMENCEMENT.

Coming into force.

33. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

Clause 30: Section 62 at present reads as follows:

"**62.** The Minister may make regulations, not inconsistent with this Act, respecting the procedure to be followed upon examinations, inquiries and *appeals* under this Act and the duties and obligations of immigration officers and the methods and procedure for carrying out such duties and obligations whether in Canada or elsewhere."

Clause 31: Subsection (1) at present reads as follows:

"**64.** (1) Every document purporting to be a deportation order, rejection order, warrant, order, summons, direction, notice or other document over the name in writing of the Minister, Director, Special Inquiry Officer, immigration officer or other person authorized under this Act to make such document shall, in any prosecution or other proceeding under or arising out of this Act, be *prima facie* evidence of the facts contained therein and shall be receivable in evidence without proof of the signature or the official character of the person appearing to have signed the same unless called in question by the Minister or some other person acting for him or Her Majesty."

C-221.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-221.

An Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses.

First reading, July 7, 1966.

THE MINISTER OF FINANCE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

22772

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-221.

An Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses.

HER 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 *Pension Benefits Standards Act*.

INTERPRETATION.

Definitions.

"Administrator."

"Continuous period."

"Deferred pension benefit."

"Designated province."

"Employee."

2. In this Act,

(*a*) "administrator" includes an insurer or trustee under a pension plan;

(*b*) "continuous period" means a period of service or membership in a pension plan calculated without regard to temporary interruptions in such service or membership;

(*c*) "deferred pension benefit" means a pension benefit that commences at retirement age but in any event not later than 70 years of age;

(*d*) "designated province" means a province prescribed by the regulations as a province in which there is in force a law substantially similar to this Act;

(*e*) "employee" includes an officer, and, unless the context otherwise requires, a former employee and former officer;

"Employer."

(*f*) "employer" in relation to an employee, means the person or organization, whether incorporated or unincorporated, from whom the employee receives or formerly received his remuneration, and includes the successors or assigns of such employer;

"Employment."

(*g*) "employment" means the performance of service under an express or implied contract of service or apprenticeship, and includes the tenure of an office;

"Immediate pension benefit."

(*h*) "immediate pension benefit" means a pension benefit that commences immediately at the time an employee becomes entitled thereto;

"Included employment."

(*i*) "included employment" has the meaning assigned by section 3;

"Minister."

(*j*) "Minister" means the Minister of Finance;

"Office", "officer."

(*k*) "office" means the position of an individual entitling him to a fixed or ascertainable stipend or remuneration and includes the position of an officer or director of a corporation or other organization and of an agent acting for his principal on a substantially full-time basis, and "officer" means a person holding such a position;

"Pension benefit", "pension benefit credit."

(*l*) "pension benefit" means an annual, monthly or other periodic amount by way of annuity to which, under the terms of a pension plan, an employee is or may become entitled upon retirement or termination of his service under the plan, and "pension benefit credit" means the value at a particular time of the pension benefit and other benefits provided under the terms of a pension plan to which an employee has become entitled;

"Pension plan."

(*m*) "pension plan" means a superannuation or pension fund or plan organized and administered to provide pension benefits to employees employed in included employment, whether or not provision is also made for other benefits or for benefits to other persons, and includes

(i) a unit benefit plan under which pension benefits are determined by reference to length of service of an employee and to the remuneration paid or payable to an employee during the period of his service or during a selected period of his service;

(ii) a money purchase plan under which pension benefits are determined on retirement or termination of service of an employee by reference to the accumulated amount of the contributions paid by or to the credit of the employee;

(iii) a flat benefit plan under which pension benefits are expressed either as a fixed amount in respect of each year of an employee's service or each year of a selected period of his service or as a fixed periodic amount; and

(iv) a profit sharing pension plan, other than an employees' profit sharing plan as defined by section 79 of the *Income Tax Act* or a deferred profit sharing plan as defined by section 79c of that Act;

"Qualification date."

(*n*) "qualification date" means the 1st day of January, 1967;

"Registered pension plan."

(*o*) "registered pension plan" means a pension plan that is registered and in respect of which a certificate of registration has been issued by the Superintendent under this Act;

"Regulations."

(*p*) "regulations" means regulations made under this Act;

"Retirement age."

(*q*) "retirement age" in relation to an employee, means the earliest age at which a pension benefit, other than a benefit in respect of a disability, is or may become payable to the employee under the terms of a pension plan without adjustment by reason of early retirement;

"Standards for registration."

(*r*) "standards for registration" has the meaning assigned by section 9;

"Superintendent."

(*s*) "Superintendent" means the Superintendent of Insurance appointed pursuant to the *Department of Insurance Act*;

"Supplemental pension plan."

(*t*) "supplemental pension plan" means a pension plan organized and administered for the benefit of employees whose membership in another pension plan is a condition precedent to membership in the supplemental pension plan; and

"Voluntary additional contribution."

(*u*) "voluntary additional contribution" means an optional contribution by an employee to or under a pension plan except a contribution the payment of which, under the terms of the plan, imposes upon the employer an obligation to make an additional contribution to or under the plan.

INCLUDED EMPLOYMENT.

"Included employment" defined.

3. (1) In this Act, "included employment" means employment, other than excepted employment, upon or in connection with the operation of any work, undertaking or business that is within the legislative authority of the Parliament of Canada including, without restricting the generality of the foregoing,

(*a*) any work, undertaking or business operated or carried on for or in connection with navigation and shipping, whether inland or maritime, including the operation of a ship and transportation by ship anywhere in Canada;

(*b*) any railway, canal, telegraph or other work or undertaking connecting a province with any other or others of the provinces, or extending beyond the limits of a province;

(*c*) any line of steam or other ships connecting a province with any other or others of the provinces or extending beyond the limits of a province;

(*d*) any ferry between a province and any other province or between any province and any country other than Canada;

(*e*) any aerodrome, aircraft or line of air transportation;

(*f*) any radio broadcasting station;

(*g*) any bank;

(*h*) any work or undertaking, that although wholly situated within a province, is before or after its execution declared by the Parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces; and

(*i*) any work, undertaking or business outside the exclusive legislative authority of provincial legislatures, and any work, undertaking or business of a local or private nature in the Yukon Territory or the Northwest Territories.

"Excepted employment" defined.

(2) In this Act, "excepted employment" means

(*a*) employment under Her Majesty in right of Canada; and

(*b*) any employment that is excepted from included employment by any regulation made under subsection (3).

Idem.

(3) The Governor in Council may make regulations excepting from included employment

(*a*) employment by an agent of Her Majesty in right of Canada; and

(*b*) any employment if the Governor in Council, upon a report of the Minister, is satisfied that

(i) provision has been made for the coverage of employees employed in such employment under the terms of a pension plan that is organized and administered for the benefit primarily of employees employed in other than included employment and that is required to be registered under a law of a designated province substantially similar to this Act, or

(ii) in any other case, the exception of such employment is warranted having regard to the existence of other arrangements for the safeguarding of any benefits that are or may become available to employees or other persons in respect of such employment, or having regard to such other circumstances as the Governor in Council deems relevant.

POWERS AND FUNCTIONS OF SUPERINTENDENT.

Powers and functions.

4. The Superintendent, under the direction of the Minister, has the control and supervision of the administration of this Act and in relation thereto has and may exercise and perform the following powers and functions, namely:

(*a*) to examine all pension plans that are filed for registration under this Act and all amendments to such pension plans that are filed pursuant to this Act;

(*b*) to register and issue certificates of registration in respect of all pension plans that are filed for registration under this Act and comply with the standards for registration;

(*c*) to carry out periodic or other inspections and audits of registered pension plans;

(*d*) to revoke the registration and cancel the certificate of registration in respect of any registered pension plan that ceases to comply with the standards for registration; and

(*e*) to conduct studies, surveys and research programs and compile statistical and other information relating to pension plans and the operation of such plans.

AGREEMENTS, ETC.

Agreements, etc., respecting administration.

5. The Minister, with the approval of the Governor in Council, may

(*a*) enter into agreements with the appropriate authority of a designated province respecting the registration, inspection or audit of pension plans, or respecting the establishment in Canada of an association of pension commissions;

(*b*) authorize the appropriate authority of a designated province, or the association of pension commissions referred to in paragraph (*a*), to exercise or perform such powers and functions on behalf of the Superintendent or otherwise under this Act as the Minister may determine; and

(*c*) designate an agency for the purposes, among others, of receiving, holding and disbursing pension benefit credits under this Act.

REGISTRATION OF PENSION PLANS.

Pension plans established before qualification date.

6. (1) Every employer of employees who are employed in included employment and are members of a pension plan established or caused to be established by that employer before the qualification date shall, unless under the terms of the plan the employer is not required to make contributions to or under the plan,

(*a*) file a copy of such pension plan with the Superintendent for registration on or before the qualification date or as soon thereafter as the Superintendent may allow;

(*b*) file with the Superintendent a copy of any amendment to such pension plan made after the filing of the copy referred to in paragraph (*a*), within 60 days after the making of such amendment; and

(*c*) on and after the qualification date while such pension plan remains in force, ensure the compliance of the plan with the standards for registration.

Pension plans established on or after qualification date.

(2) Every employer who, on or after the qualification date, establishes or causes to be established a pension plan for the benefit of employees of that employer who are employed in included employment shall, unless under the terms of the plan the employer is not required to make contributions to or under the plan,

(*a*) file a copy of such pension plan with the Superintendent for registration within 60 days after the establishment of the plan;

(*b*) file with the Superintendent a copy of any amendment to such pension plan within 60 days after the making of such amendment; and

(*c*) while such pension plan remains in force, ensure the compliance of the plan with the standards for registration.

Supplemental plan included.

(3) Notwithstanding anything in this section, a pension plan that is required by this Act to be filed by an employer for registration shall be deemed to include a supplemental pension plan organized and administered for the benefit of employees of that employer under the terms of which the employer is not required to make contributions.

Annual information return.

7. Every employer by whom any pension plan is required by this Act to be filed for registration shall file with the Superintendent annually, commencing in the year 1967, or at such other intervals or times and in such form as the Superintendent may prescribe, an information return relating to such pension plan.

Examination and registration.

8. (1) The Superintendent shall with all due despatch examine each pension plan that is filed for registration as required by this Act and shall,

(*a*) if the plan complies with the standards for registration, register and issue a certificate of registration in respect of the plan and notify the employer by registered mail of his action; and

(*b*) if the plan fails to comply with the standards for registration,

(i) notify the employer by registered mail of the particulars of such non-compliance, and

(ii) if within 60 days from the day of mailing of such notification or within such longer period as the Superintendent may allow, the employer fails to ensure the compliance of the plan with the standards for registration, refuse registration of the plan and notify the employer by registered mail of his action.

Revocation of registration where plan ceases to comply.

(2) Where a registered pension plan ceases to comply with the standards for registration whether as a result of an amendment to the plan or for any other reason, the Superintendent shall

(*a*) notify the employer by registered mail of the particulars of such non-compliance; and

(*b*) if within 60 days from the day of mailing of such notification or within such longer period as the Superintendent may allow, the employer

fails to ensure the compliance of the plan with the standards for registration, revoke the registration and cancel the certificate of registration in respect of the plan and notify the employer by registered mail of his action.

STANDARDS FOR REGISTRATION.

Standards for registration.

9. The standards for registration in the case of a pension plan are those set out in sections 10 and 11.

Provisions respecting vesting, locking-in, etc.

10. (1) A pension plan shall contractually provide and shall be organized and administered so as to provide

(*a*) that any member of the plan who has been in the service of the employer for a continuous period of 10 years or has been a member of the plan for such period, and who has attained 45 years of age, is entitled, upon retirement or termination of his service under the plan, to a deferred pension benefit not less in amount than and payable on the same terms and conditions as the pension benefit (other than that provided by voluntary additional contributions) to which, if he had attained retirement age, the member would be entitled

(i) under the terms of the plan, in respect of service under the plan on and after the qualification date, in the case of a plan established before the qualification date,

(ii) under the terms of the plan, in the case of a plan established on or after the qualification date, and

(iii) by virtue of any amendment to the plan made on or after the qualification date, in the case of a plan whenever established,

or to an immediate pension benefit not less in value than the said deferred pension benefit;

(*b*) that no benefit provided under the terms of the plan (other than a benefit provided by voluntary additional contributions) is capable of being assigned or alienated or confers upon any employee, personal representative, dependant or other person any right or interest therein that is capable of being assigned or alienated;

(*c*) that neither the deferred pension benefit nor the immediate pension benefit referred to in paragraph (*a*) is capable of being surrendered or commuted during the lifetime of the employee or confers upon any employee or

22772—2

personal representative, dependant or other person any right or interest therein that is capable of being surrendered or commuted during the lifetime of the employee; and

(*d*) that an employee who is entitled to a deferred pension benefit or immediate pension benefit as described in paragraph (*a*), or who would be so entitled if he retired or his service under the plan was terminated, is not entitled to withdraw any part of his contributions to or under the plan (other than voluntary additional contributions) in respect of service under the plan on or after the qualification date, and that any pension fund moneys attributable to such contributions shall be applied under the terms of the plan towards the provision of the deferred pension benefit or immediate pension benefit referred to in paragraph (*a*).

Alternative provisions.

(2) Notwithstanding subsection (1), a pension plan may contractually provide and may be organized and administered so as to provide

(*a*) for vesting of benefits or locking-in of contributions at an earlier age than 45 years or upon service or membership in the plan for less than 10 years, or both;

(*b*) for payment to an employee of an amount equal to the commuted value of any pension benefit to which the employee is entitled, if the benefit, expressed as a monthly amount payable throughout the term thereof, is less than $10;

(*c*) for payment to an employee in partial discharge of his rights under the plan as a lump sum, upon or after termination of his service under the plan before attaining retirement age, of an amount not exceeding in the aggregate 25% of the commuted value of the deferred pension benefit referred to in paragraph (*a*) of subsection (1);

(*d*) that an employee who is entitled to a deferred pension benefit as described in paragraph (*a*) of subsection (1) may, before the commencement of payment thereof,

(i) elect to receive a pension benefit the amount of which is reduced or increased by reason of early or deferred commencement of payment thereof, provision of an annuity to a survivor or to the estate of the employee, or variation of the terms or conditions of payment of the benefit to any person after the employee's death, or

(ii) elect or be authorized to receive a payment or series of payments by reason of any mental or physical disability as defined by the regulations,

partly or wholly in lieu of the deferred pension benefit referred to in paragraph (*a*) of subsection (1); and

(*e*) that an employee may, on or before attaining retirement age, elect to receive a pension benefit the amount of which is varied by reference to the amount of any pension payable under the *Old Age Security Act*, the *Canada Pension Plan* or a provincial pension plan as defined in section 3 of the *Canada Pension Plan*.

Provisions respecting funding and investment of moneys.

11. A pension plan shall contractually provide and shall be organized and administered so as to provide

(*a*) for funding, in accordance with such tests and standards for solvency as are prescribed by the regulations, that is adequate to provide for payment of all pension benefits and other benefits required to be paid under the terms of the plan;

(*b*) for investment of pension fund moneys in such securities and obligations as are prescribed by the regulations; and

(*c*) for a written explanation to be given to each member of the plan of the terms and conditions of the plan and any amendments thereto applicable to him, together with an explanation of the rights and duties of the member with reference to the benefits available to him under the terms of the plan and such other information as may be prescribed by the regulations.

WINDING-UP PROVISIONS.

Where pension plan terminated or wound-up.

12. Upon the termination or winding-up of a pension plan required by this Act to be filed by an employer for registration

(*a*) all pension fund moneys attributable to contributions to or under the plan that are required to be applied under the terms of the plan towards the provision of a deferred pension benefit or immediate pension benefit as described in paragraph (*a*) of subsection (1) of section 10, or that would be so required to be applied if the plan complied with the standards for registration, shall be applied by the administrator of the plan,

(i) in the case of a former employee, towards the provision of the deferred pension benefit or immediate pension benefit to which the former employee was entitled at the time of the termination of his employment or to which he would have been entitled at that time if the plan had complied with the standards for registration, and

(ii) in the case of any other employee, towards the provision of the deferred pension benefit or immediate pension benefit to which the employee would have been entitled if he had ceased to be an employee immediately before the termination or winding-up of the plan and the plan had complied with the standards for registration; and

(*b*) the employer is liable to pay to the administrator of the plan all amounts that he would otherwise have been required to pay to meet the tests and standards for solvency prescribed by the regulations, up to the date of the termination or winding-up of the plan.

PAYMENT OF BENEFITS AND DESIGNATION OF BENEFICIARIES.

Provisions of provincial law to apply.

13. Except to the extent that they are inconsistent with or repugnant to this Act, the provisions of any provincial law in force from time to time with respect to the payment of benefits or the designation of beneficiaries under pension plans, that would be applicable to a pension plan organized and administered to provide pension benefits to employees employed in included employment if that provincial law were applicable to such pension plan, shall be deemed to apply to such pension plan as though that employment were not included employment.

OBJECTIONS AND APPEALS.

Notice of objection.

14. (1) Where, pursuant to section 8, the Superintendent has notified an employer by registered mail

(*a*) of his action in refusing registration of a pension plan, or

(*b*) of his action in revoking the registration and cancelling the certificate of registration in respect of a pension plan,

the employer may, within 60 days from the day of mailing of such notification, serve on the Superintendent a notice of objection in duplicate in prescribed form, setting out the reasons for such objection and all facts relevant thereto.

Service of notice.

(2) Notice of objection under this section shall be served by being sent by registered mail addressed to the Superintendent of Insurance at Ottawa.

Reconsideration by Superintendent.

(3) Upon receipt of a notice of objection, the Superintendent shall with all due despatch reconsider the refusal or the revocation and cancellation, as the case may be, and vary or confirm his action, and shall thereupon notify the employer of his decision by registered mail.

Appeal to Exchequer Court.

15. (1) Where an employer has served a notice of objection under section 14, he may,

(*a*) within 90 days after the Superintendent has confirmed the action taken by him as described in subsection (1) of section 14, or

(*b*) after 90 days and before 180 days have elapsed after service of the notice of objection and the Superintendent has not notified the employer that he has confirmed or varied the action taken by him,

appeal to the Exchequer Court of Canada for an order as described in paragraph (*b*) of subsection (6).

Institution of appeal.

(2) An appeal to the Exchequer Court shall be instituted by filing with the Registrar of the Court or by sending by registered mail addressed to him at Ottawa, three copies of a notice of appeal in such form as is prescribed by the regulations.

Registrar to transmit copies.

(3) Upon receipt of the copies of the notice of appeal referred to in subsection (2), the Registrar shall transmit two copies to the Superintendent.

Documents relevant to appeal.

(4) Forthwith after receiving a copy of the notice of appeal the Superintendent shall forward to the Registrar of the Exchequer Court copies of all documents relevant to the appeal.

Hearing.

(5) An appeal may, in the discretion of the Court, be heard in camera or in public, unless the appellant requests that it be heard in camera, in which case it shall be so heard.

Disposition.

(6) The Court may dispose of an appeal

(*a*) by dismissing it and ordering the appellant to ensure the compliance of the pension plan to which the appeal relates with the standards for registration, or

(*b*) by allowing it and ordering the Superintendent to register the pension plan to which the appeal relates or reinstate the registration of such plan, as the circumstances require, and issue a certificate of registration in respect thereof.

Conditions.

(7) An order made as described in paragraph (*b*) of subsection (6) may include conditions precedent imposed upon the appellant to the registration or reinstatement of registration of the pension plan to which the appeal relates.

GENERAL.

Inspection and audit.

16. The Superintendent or any person thereunto authorized in writing by him for any purpose relating to the administration of this Act may, at any reasonable time,

(*a*) inspect or audit any books, records, writings or other documents relating to any pension plan required by this Act to be filed by an employer for registration, or any securities or obligations in which pension fund moneys of any such plan are invested; and

(*b*) require the employer, insurer or trustee under any such pension plan to furnish to him such information as the Superintendent deems necessary for the purpose of ascertaining whether the provisions of this Act or the regulations have been or are being complied with.

No action against person withholding.

17. No action lies against any person for withholding, deducting, paying or crediting any sum of money in compliance or intended compliance with this Act or the regulations.

Void agreements.

18. Where any provision of this Act or the regulations requires an amount to be withheld, deducted, paid or credited, any agreement or arrangement by the person on whom the requirement is imposed not to withhold, deduct, pay or credit that amount, is void.

Amendments.

19. (1) Where in the case of any amendment made to any pension plan required by this Act to be filed by an employer for registration, the amendment may reasonably be regarded as having been made in contemplation of the termination or winding-up of the plan, either immediately or in the future, with a view to avoiding payment of any pension benefit or other benefit for which the plan contractually provided at any time while the employer was required by this Act to ensure its compliance with the standards for registration, the amendment is subject to be declared void, in the manner provided in this section.

Application and declaration.

(2) A judge of the Exchequer Court of Canada may, upon application to him by the Superintendent after such notice to the employer, insurer or trustee under a pension plan as the judge may direct, declare void any amendment to such pension plan that under subsection (1) is subject to be declared void, and thereupon, except as otherwise determined on appeal, if any, under subsection (3), the amendment shall be deemed to be and always to have been void for all purposes.

Appeal.

(3) An appeal lies to the Supreme Court of Canada from any declaration made under subsection (2), as from an interlocutory judgment pronounced by the Exchequer Court of Canada in an action described in subsection (1) of section 82 of the *Exchequer Court Act*.

Proceedings on declaration.

(4) Where any declaration has been made under subsection (2), except with the consent of the Superintendent no process or proceedings shall be taken or instituted in consequence of such declaration within the time limited for the bringing of any appeal therefrom under subsection (3) or while any such appeal remains to be disposed of.

Offences and Punishment.

Offences.

20. (1) Every person who

(*a*) contravenes any provision of this Act or the regulations,

(*b*) to evade compliance with this Act or the regulations,

(i) destroys, alters, mutilates, secretes or otherwise disposes of any record, writing or other document,

(ii) makes, or assents to or acquiesces in the making of, any false or deceptive statement or any false or deceptive entry in any record, writing or other document, or

(iii) omits, or assents to or acquiesces in the omission, to furnish any material particular in any statement or in any record, writing or other document,

(*c*) prevents or obstructs, or attempts to prevent or obstruct, another person doing anything that such other person is authorized by or pursuant to section 16 to do, or, unless he is unable to do so, fails to do anything that he is required by or pursuant to that section to do, or

(*d*) being an employer, fails to pay to the administrator of a pension plan all amounts that under this Act he is liable so to pay,

is guilty of an offence and liable on summary conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 6 months, or to both such fine and imprisonment.

Limitation.

(2) No prosecution of an employer for an offence under this section, arising out of an alleged failure of the employer to ensure the compliance of a pension plan with the standards for registration, shall be instituted except after 60 days have elapsed from the day of mailing of the notification referred to in subsection (1) of section 14 to the employer, or while any objection or appeal taken or instituted by the employer pursuant to section 14 or 15 arising out of any action to which the notification relates remains to be disposed of.

Evidence.

(3) In any prosecution for an offence under this section, a certificate purporting to be signed by the Superintendent or by any person on his behalf certifying that a copy of a pension plan or of an amendment to any such plan was not filed with the Superintendent as required by this Act, or certifying as to the registration of a pension plan, is admissible in evidence and in the absence of any evidence to the contrary is proof of the matters so certified.

Time for commencement of prosecution.

(4) A prosecution for an offence under this section may be commenced at any time within, but not later than, 5 years from the time when the subject matter of the prosecution arose.

Corporations and other organizations.

(5) Where a corporation or other organization is guilty of an offence under this section, every officer, director or agent of the corporation or organization who directed, authorized, assented to, acquiesced in or participated in the offence is a party to and guilty of the offence and is liable on conviction to the punishment provided for the offence whether or not the corporation or organization has been prosecuted or convicted therefor.

Informations and complaints.

(6) An information or complaint under this section may be laid or made by any officer of the Department of Insurance, a member of the Royal Canadian Mounted Police or any person thereunto authorized in writing by the Minister and, where an information or complaint purports to have been made or laid under this section, it shall be deemed to have been made or laid by a person thereunto authorized in writing by the Minister and shall not be called into question for lack of authority of the informant or complainant except by the Minister or a person acting for him or Her Majesty.

REGULATIONS.

Regulations.

21. The Governor in Council may make regulations

(*a*) prescribing or defining anything that, by this Act, is to be or may be prescribed or defined by the regulations;

(*b*) respecting methods and bases for computing pension benefits and pension benefit credits, and the values and commuted values of pension benefits;

(*c*) respecting the variation of pension benefits by reference to any pension payable under the *Old Age Security Act*, the *Canada Pension Plan* or a provincial pension plan as defined by section 3 of the *Canada Pension Plan*;

(*d*) prescribing the classes of securities and obligations, both qualitative and quantitative, in which pension fund moneys accumulated either before or after the qualification date may be invested, and governing the making of such investments;

(*e*) respecting the fees that may be charged for the registration of pension plans and for the supervision including inspection and audit of registered pension plans by the Superintendent;

(*f*) prescribing the conditions under which, upon termination of an employee's service under a pension plan or upon the termination or winding-up of a pension plan, pension benefit credits may be held in trust by the administrator of the pension plan, or transferred to the administrator of another pension plan or of a registered retirement savings plan or to the agency referred to in paragraph (*c*) of section 5;

(*g*) providing for, regulating and governing the disposition of the assets of a pension plan that is terminated or wound up; and

(*h*) generally, respecting any other matter the making of regulations in relation to which is deemed by the Governor in Council to be necessary for carrying out the purposes and provisions of this Act.

REPORT TO PARLIAMENT.

Annual report.

22. The Superintendent shall, as soon as possible after the end of each year, prepare and submit to the Minister a report on the administration and operation of this Act during that year, and the Minister shall cause such report to be laid before Parliament forthwith upon the receipt thereof by him if Parliament is then sitting, or if Parliament is not then sitting, on any of the first 15 days next thereafter that Parliament is sitting.

C-222.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-222.

An Act respecting Banks and Banking.

First reading, July 7, 1966.

THE MINISTER OF FINANCE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

22804—1

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-222.

An Act respecting Banks and Banking.

HER 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.*

INTERPRETATION.

Definitions. "Agricultural equipment." "Agricultural implements."

2. (1) In this Act,

(*a*) "agricultural equipment" means implements, apparatus, appliances and machinery, of any kind usually affixed to real or immovable property, for use on a farm, but does not include a farm electric system;

(*b*) "agricultural implements" means tools, implements, apparatus, appliances and machines, of any kind not usually affixed to real or immovable property, for use on or in connection with a farm, and vehicles for use in the business of farming and, without restricting the generality of the foregoing, includes plows, harrows, drills, seeders, cultivators, mowing machines, reapers, binders, threshing machines, combines, leaf tobacco tying machines, tractors, movable granaries, trucks for carrying products of agriculture, equipment for bee-keeping, cream separators, churns, washing machines, spraying apparatus, portable irrigation apparatus, incubators, milking machines, refrigerators and heating and cooking appliances for farming operations or use in the farm home of a kind not usually affixed to real or immovable property;

Explanatory Notes.

This Bill is the decennial revision of the *Bank Act*. The charters of the banks will expire under the present Act, as amended, not later than the 60th sitting day of Parliament after November, 1966. Under the terms of the Bill, the banks will be empowered to carry on business for a further ten years.

The references below are references to the corresponding provisions of the present Act.

1. Section 1.

2. (1) (*a*) and (*b*). Section 2 (1) (*a*) and (*b*).

"Bank." (*c*) "bank" means a bank to which this Act applies;

"Bill of lading." (*d*) "bill of lading" includes all receipts for goods, wares and merchandise accompanied by an undertaking

(i) to move the goods, wares and merchandise from the place where they were received to some other place, by any means whatever, or

(ii) to deliver at a place other than the place where the goods, wares and merchandise were received a like quantity of goods, wares and merchandise of the same or a similar grade or kind;

"Branch." (*e*) "branch" includes an agency, the head office and any other office of the bank;

"Corporation controlled by the bank." (*f*) "corporation controlled by the bank" means a corporation more than fifty per cent of the issued capital stock of which (having full voting rights under all circumstances) is owned by the bank;

"Crops growing or produced upon the farm." (*g*) "crops growing or produced upon the farm" includes all products of the farm;

"Farm." (*h*) "farm" means land in Canada used for the purpose of farming, which term includes live stock raising, dairying, bee-keeping, the production of maple products, fruit growing, the growing of trees and all tillage of the soil;

"Farm electric system." (*i*) "farm electric system" includes all machinery, apparatus and appliances for the generation or distribution of electricity on a farm whether or not affixed to real or immovable property;

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

"Fish." (*k*) "fish" includes shell fish, crustaceans and marine animals;

"Fisherman." (*l*) "fisherman" means a person whose business consists in whole or in part of fishing;

"Fishing." (*m*) "fishing" means fishing for or catching fish by any method;

"Fishing equipment and supplies." (*n*) "fishing equipment and supplies" includes equipment, apparatus, appliances and supplies for use in the operation of a fishing vessel and not forming part thereof, or for use in fishing, and, without restricting the generality of the foregoing, includes detachable engines and machinery, lines, hooks, trawls, nets, anchors, traps, bait, salt, fuel and stores;

(*c*) to (*f*)—(*c*) to (*f*).

(*g*) *New.*

(*h*) to (*n*)—(*g*) to (*m*).

"Fishing vessel." (*o*) "fishing vessel" includes any ship or boat or any other description of vessel for use in fishing and equipment, apparatus and appliances for use in the operation thereof and forming part thereof, or any share or part interest therein;

"Goods, wares and merchandise." (*p*) "goods, wares and merchandise" includes products of agriculture, products of the forest, products of the quarry and mine, products of the sea, lakes and rivers, and all other articles of commerce;

"Grain." (*q*) "grain" includes wheat, oats, barley, rye, corn, buckwheat, flax, beans, and all kinds of seeds;

"Hydrocarbons." (*r*) "hydrocarbons" means solid, liquid and gaseous hydrocarbons and any natural gas whether consisting of a single element or of two or more elements in chemical combination or uncombined and, without restricting the generality of the foregoing, includes oil-bearing shale, tar sands, crude oil, petroleum, helium and hydrogen sulphide;

"Inspector." (*s*) "Inspector" means the Inspector General of Banks appointed under this Act;

"Live stock." (*t*) "live stock" includes

(i) horses and other equines,

(ii) cattle, sheep, goats and other ruminants, and

(iii) swine, poultry and fur-bearing animals;

"Manufacturer." (*u*) "manufacturer" includes any person who manufactures or produces by hand, art, process or mechanical means any goods, wares and merchandise and, without restricting the generality of the foregoing, includes a manufacturer of logs, timber or lumber, maltster, distiller, brewer, refiner and producer of petroleum, tanner, curer, packer, canner, bottler and a person who packs, freezes or dehydrates any goods, wares and merchandise;

"Minister." (*v*) "Minister" means the Minister of Finance;

"President." (*w*) "president" does not include an honorary president;

"Products of agriculture." (*x*) "products of agriculture" includes

(i) grain, hay, roots, vegetables, fruits, other crops and all other direct products of the soil, and

(ii) honey, maple products, live stock (whether alive or dead), dairy products, eggs and all other indirect products of the soil;

(*o*) to (*x*)—(*n*) to (*w*).

"Products of the forest."

(*y*) "products of the forest" includes

(i) logs, pulpwood, piling, spars, railway ties, poles, pit props and all other timber,

(ii) boards, laths, shingles, deals, staves and all other lumber, bark, wood chips and sawdust, and

(iii) skins and furs of wild animals;

"Products of the quarry and mine."

(*z*) "products of the quarry and mine" includes stone, clay, sand, gravel, metals, ores, coal, salt, precious stones, metalliferous and non-metallic minerals and hydrocarbons, whether obtained by excavation, drilling or otherwise;

"Products of the sea, lakes and rivers."

(*aa*) "products of the sea, lakes and rivers" includes fish of all kinds, marine and fresh water organic and inorganic life and any substances extracted or derived from any water;

"Recorded address."

(*bb*) "recorded address" means

(i) in relation to a person as a shareholder, his last known post office address according to the register of shareholders of the bank, and

(ii) in relation to a person in any other respect, his last known post office address according to the records of the branch concerned;

"Securities."

(*cc*) "securities" includes

(i) bonds, debentures and obligations of or guaranteed by governments, corporations or unincorporated bodies, whether such corporations and unincorporated bodies are governmental, municipal, school, ecclesiastical, commercial or other, secured on real or personal, immovable or movable property or unsecured, and rights in respect of such bonds, debentures and obligations,

(ii) shares of capital stock of corporations and rights in respect of such shares,

(iii) equipment trust certificates or obligations,

(iv) all documents, instruments and writings commonly known as securities, and

(v) mortgages and hypothecs,

whether issued or granted within or outside Canada;

"Warehouse receipt."

(*dd*) "warehouse receipt" includes

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

(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

(*y*) to (*dd*)—(*x*) to (*ac*).

(*cc*) (v)—*New*.

and 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,

(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,

(iv) Lake Shippers' Clearance Association receipts and transfer certificates, British Columbia Grain Shippers' Clearance Association receipts and transfer certificates, and all documents recognized by the *Canada Grain Act* as warehouse receipts, and

(v) receipts given by any person for any hydrocarbons received by him as bai'ee, whether his obligation to restore requires delivery of the same hydrocarbons or may be satisfied by delivery of a like quantity of hydrocarbons of the same or a similar grade or kind.

Products and by-products.

(2) For the purposes of this Act, each thing included in paragraphs (*g*), (*t*), (*x*), (*y*), (*z*) and (*aa*) of subsection (1) comprises that thing in any form or state and any part thereof and any product or by-product thereof or derived therefrom.

Chief general manager.

(3) Where a bank has a chief general manager the provisions of this Act referring to a general manager shall be construed to refer to the chief general manager.

Acceptance or payment of bill of exchange.

(4) For the purposes of this Act, where a bank accepts a bill of exchange drawn on it and not payable on demand, or pays or makes money available for the payment of such a bill of exchange, the bank is deemed to lend money or make an advance to the drawer of the bill.

Public notice.

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 head office of the bank is situated, and

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

Sufficiency of publication.

(2) Where 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, is a sufficient publication for the purposes of this Act.

(2)—(2).

(3) *New.*

(4) *New.*

3. Section 3.

Notice of call.

(3) Where by this Act notice of any call is required to be given to the shareholders the notice is, unless otherwise specified, sufficiently given by mailing the notice, registered and post paid, to the recorded address of the respective shareholders at least thirty days prior to the day on which the call is payable.

APPLICATION.

Banks to which Act applies.

4. This Act applies to

(*a*) each bank named in Schedule A,

(*b*) an amalgamated bank as specified in subsection (5) of section 100,

and does not apply to any other bank.

Act is charter.

5. Each bank named in Schedule A is a body politic and corporate and this Act is its charter.

Duration of authority to carry on business.

6. Subject to this Act,

(*a*) if Parliament sits on at least twenty days during the month of June, 1976, the bank may carry on the business of banking until the first day of July, 1976, and no longer, and

(*b*) if Parliament does not sit on at least twenty days during the month of June, 1976, the bank may carry on the business of banking until the sixtieth sitting day of Parliament next thereafter, and no longer.

Head office and capital stock.

7. Subject to this Act, the name of the bank, the additional name under which it is authorized to carry on business, the authorized capital stock of the bank, the par value of its shares and the place where its head office is situated, shall be as specified in Schedule A with respect to the bank.

INCORPORATION AND ORGANIZATION OF BANKS.

Incorporation particulars.

8. (1) The name of the bank, the additional name under which it is authorized to carry on business, the authorized capital stock of the bank, the par value of its shares, the place in Canada where its head office is to be situated and the names, addresses and occupations of the provisional directors shall be declared in the Act of incorporation of the bank.

Form of incorporation.

(2) Except as provided in this Act, an Act of incorporation of a bank in the form set forth in Schedule B 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.

4. Section 4.

5. Section 5.

6. Section 6.

7. Section 7.

8. Replaces sections 8 and 9.

Capital stock and shares.

9. Subject to this Act, the authorized capital stock of the bank shall be not less than one million dollars and shall be divided into shares each having a par value of one dollar or any multiple thereof not exceeding ten dollars.

Provisional directors.

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

Qualification.

(2) A person is not eligible to be a provisional director unless he is a subscriber for 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; or

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

except that in the case of not more than one-quarter of the provisional directors the minimum requirements of subscriptions for stock in paragraphs (*a*), (*b*) and (*c*) shall be reduced to fifteen hundred dollars, two thousand dollars and twenty-five hundred dollars respectively.

Tenure of office.

(3) The provisional directors hold office until directors are elected by the subscribers for the stock as provided in this Act.

Canadian citizens.

(4) At least three-quarters of the provisional directors shall be Canadian citizens ordinarily resident in Canada.

Opening of stock books.

11. (1) For the purpose of organizing the bank, the provisional directors shall, after giving ten days' public notice thereof, cause stock books to be opened, in which shall be recorded the subscriptions of the persons who have subscribed for shares of the capital stock of the bank.

Where.

(2) The stock books shall be opened at the place where the head 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.

Time stock books open.

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

9. Section 10.

10. Section 11.

(4) *New.*

11. Section 12.

Recovery of unpaid subscriptions.

(5) 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 name of the bank, sue for, recover, collect and get in any such instalment or sum.

First meeting of subscribers.

12. (1) When, in accordance with this Act,

(*a*) a sum of not less than one million dollars of the authorized capital stock of the bank has been subscribed,

(*b*) payments in money on account of the subscriptions, making a total of not less than five hundred thousand dollars, have been made by the subscribers, and

(*c*) the provisional directors have, out of the subscriptions, paid to the Minister the sum of five hundred thousand dollars,

the provisional directors shall, by public notice published for at least four weeks and by notice mailed to each subscriber at his recorded address at least ten days prior to the date of the meeting, call a meeting of the subscribers, to be held at the place in Canada named in the Act of incorporation as the head office of the bank, at such time and at such location as is set forth in the notice.

When subscription deemed to be made.

(2) For the purposes of subsection (1), a subscription shall be deemed not to have been made unless and until payment in money equal to at least ten per cent 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 first meeting.

(3) The subscribers shall, at the first meeting,

(*a*) determine the day upon which the first annual general meeting of the shareholders is to be held,

(*b*) elect such number of duly qualified directors, not less than five, as they think necessary, to hold office until the first annual general meeting of the shareholders, and

(*c*) provide for the method of filling vacancies in the board of directors until the first annual general meeting of the shareholders,

and each subscriber is entitled at such meeting to a number of votes equal to the number of shares of the capital stock of the bank that would be fully paid by the amount paid on his subscription.

Provisional directors.

(4) Upon the election of directors in accordance with this section the provisional directors cease to hold office.

Commencing business.

13. (1) The bank shall not commence the business of banking until it has obtained the approval of the Governor in Council thereto.

12. Section 13.

13. (1) (2)—Section 14.

Application for approval.

(2) No application for the approval of the Governor in Council shall be made until directors have been elected in accordance with this Act.

Statement of payments.

(3) At the time of the application for the approval of the Governor in Council there shall be submitted to the Governor in Council a sworn statement setting forth the several sums of money paid or to be paid by the bank in connection with the incorporation and organization of the bank.

Limitation on payments.

(4) Prior to the time at which the approval of the Governor in Council 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 expenses, advertising, stationery, postage and expenses of travel, if any.

Reduction of capital.

(5) When, at the time of the application for the approval of the Governor in Council, a sum of less than one-half of the authorized capital stock has been subscribed, the Governor in Council shall, when granting the approval, reduce the authorized capital stock to the largest multiple of one million dollars that is not greater than twice the amount so subscribed, and Schedule A is thereupon amended accordingly in respect of the bank.

Order in council.

(6) The approval of the Governor in Council permitting the bank to commence business shall be evidenced by an order in council notice of which shall be published in the *Canada Gazette*.

When approval may be granted.

14. (1) No approval permitting the bank to commence business shall be given by the Governor in Council until it has been shown by affidavit or otherwise to the satisfaction of the Governor in Council that

(*a*) the directors have been duly elected;

(*b*) the provisions of this Act relating to subscription and payment for capital stock have been complied with;

(*c*) the payment required by this Act to be made to the Minister has been made and the sum so paid is then held by the Minister;

(*d*) all requirements of this Act antecedent to the granting of the approval have been complied with; and

(*e*) the expenses of incorporation and organization to be borne by the bank are reasonable.

(3) (4)—Section 15.

(5) *New.*

(6) *New.*

14. Section 16.

Within one year.

(2) No approval shall be given by the Governor in Council except within one year from the time the Act of incorporation of the bank applying for the approval comes into force.

If approval not granted powers cease.

15. (1) If no approval permitting the bank to commence business is obtained by the bank from the Governor in Council within one year from the time its Act of incorporation comes into force, all the rights, powers and privileges conferred on the bank by its Act of incorporation thereupon cease and determine and are of no force or effect, and Schedule A is thereupon amended by deleting the additions made thereto in respect of the bank.

Disbursements allowed.

(2) If subscriptions have in whole or in part been paid, but no approval permitting the bank to commence business has been obtained from the Governor in Council within the time limited by subsection (1), no part of the money so paid, or interest earned 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 expenses, 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 is entitled at such a meeting to a number of votes equal to the number of shares of the capital stock of the bank that would be fully paid by the amount paid on his subscription.

Application to court to settle disbursements.

(3) If the amount allowed by the resolution for the disbursements mentioned in subsection (2) is deemed insufficient by the directors, or if no resolution for such purpose is passed after a meeting has been duly called, the directors may apply to a judge of any superior or county court having jurisdiction where the head office of the bank is fixed by its Act of incorporation, to settle and determine the amounts to be disbursed out of such money and interest, if any, before distribution of the balance to the subscribers.

Notice of meeting and application to court.

(4) Notice of the meeting and notice of the application referred to in subsections (2) and (3) respectively shall be given by sending the notice by registered post, at least twenty-one days prior to the date fixed for such meeting or the hearing of the application, to the subscribers at their recorded addresses; and each of the notices shall contain a statement of the amounts for disbursements that it is proposed shall be provided by resolution or settled and determined by a judge.

15. (1) Section 17(1).

(2) to (7)—Section 17(2) to (7).

Voting; hearing.

(5) At the meeting held pursuant to this section votes of subscribers may be given by proxy if the holder of the proxy is a subscriber, and on any application to a judge pursuant to this section, subscribers may be heard in person or by counsel.

Ratio payable by subscribers.

(6) In order that the sums paid and payable under this section may be equitably borne by the subscribers, the directors shall, after the amount of such sums is ascertained as provided in this section, 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 subscribed.

Payment of deficiency.

(7) The respective amounts fixed under subsection (6) shall, before return to the subscriber of the sums paid in by him, be deducted therefrom, and if the respective sums paid in by each subscriber are not as much as the amounts so fixed, then the deficiency in each case shall be payable forthwith by the subscriber to the directors.

Deductions.

(8) The total of the deficiencies mentioned in subsection (7) that 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 mentioned in subsection (6), 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 directors, after payment by them of the sums payable under this section, shall return to the subscribers, with any interest earned thereon, the respective balances of the moneys paid in by the subscribers.

Payment of deposit if approval given.

16. (1) Upon the giving of the approval by the Governor in Council, the Minister shall forthwith pay to the bank the amount of money deposited with him without interest.

If no approval given.

(2) If no approval is given by the Governor in Council within the time limited for the giving thereof, the amount deposited with the Minister shall be returned without interest to the bank for distribution in the manner provided by this Act, and in no case is the Minister under any obligation to see to the proper application in any way of the amount so returned.

(8) (9)—Section 17 (8) (9).

16. Section 18.

Internal Regulations.

Shareholders.

By-laws.

17. (1) Subject to this Act, the shareholders of the bank may make by-laws with respect to the following matters, namely:

(*a*) the changing of the place where the head office of the bank is situated, which place shall be in Canada;

(*b*) the subdivision or consolidation of the shares of the capital stock of the bank with an appropriate decrease or increase in the par value of the shares, but not so as to make the par value of each share other than one dollar or any multiple thereof not exceeding ten dollars;

(*c*) the day upon which the annual general meeting of the shareholders shall be held, which shall be a day not more than fifteen months after the holding of the last annual general meeting;

(*d*) 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;

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

(*f*) the qualifications of directors;

(*g*) the method of filling vacancies in the board of directors;

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

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

(*j*) the amount of discounts or loans that may be made to directors, either jointly or severally, or to any one person, or to any shareholder; and

(*k*) the establishment of guarantee and pension funds for the officers and employees of the bank and corporations of which the bank owns all the issued and outstanding capital stock except the qualifying shares of directors, and the families of such officers and employees, and the making of contributions thereto out of the funds of the bank.

17. Section 19.

Copy of by-laws to be sent to shareholders.

(2) A copy of the by-laws in force on the first day of July, 1968, in respect of the matters set out in subsection (1), together with a copy of this section, shall, before the 31st day of December, 1968, be mailed to each shareholder at his recorded address; and after the first day of July, 1968, within six months after the end of each successive five-year period, a copy of the by-laws, in respect of the said matters in force at the end of each such period, shall be so mailed.

When by-laws may be made.

(3) By-laws authorized by this Act may be made by the shareholders at any annual general meeting or at any special general meeting duly called for the purpose.

Existing by-laws continued.

(4) Until it is otherwise prescribed by by-law under this Act, the by-laws of the bank with respect to any matter set out in subsection (1), in force at the commencement of this Act, remain in force.

Voting by corporate shareholders.

(5) At every annual general meeting the shareholders of the bank shall appoint a person to vote in the name of the bank at meetings of the shareholders of each corporation controlled by the bank in whose name the bank carries on any of its operations.

Directors.

Management.

18. (1) The bank shall be under the management of a board of directors elected or appointed in accordance with this Act.

Qualification of directors.

(2) A person is not eligible to be a director unless he holds stock of the bank as the absolute and sole owner thereof in his individual right and not as trustee or in the right of another, on which not less than

(*a*) three thousand dollars, or such greater amount as the by-laws require, have been paid up, when the paid-up capital stock of the bank is one million dollars or less,

(*b*) four thousand dollars, or such greater amount as the by-laws require, 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, or

(*c*) five thousand dollars, or such greater amount as the by-laws require, have been paid up, when the paid-up capital stock of the bank exceeds three million dollars;

18. (1) Section 20.

(2) Section 21 (1).

except that in the case of not more than one-quarter of the directors the minimum requirements with respect to holdings of stock in paragraphs (*a*), (*b*) and (*c*) shall be reduced to fifteen hundred dollars, two thousand dollars and twenty-five hundred dollars, respectively.

Canadian citizens.

(3) At least three-quarters of the directors shall be Canadian citizens ordinarily resident in Canada.

Idem.

(4) The election or appointment of any person as a director is void if the composition of the board of directors would as a result thereof fail to comply with subsection (3).

Ineligibility.

(5) A person is not eligible to be elected or appointed a director if

(*a*) he has reached the age of seventy-five years, or

(*b*) he is a director of another bank.

Idem.

(6) A person is not eligible to be elected or appointed a director of the bank if

(*a*) he is a director of a company incorporated under the laws of Canada or a province that carries on the business of a trust company within the meaning of the *Trust Companies Act*, or the business of a loan company within the meaning of the *Loan Companies Act*, and that accepts deposits from the public; or

(*b*) he is a director of a company that owns shares of the capital stock of a company described in paragraph (*a*) in any number that would, under the voting rights attached to the shares owned by the company of which he is a director, permit the company of which he is a director to vote more than ten per cent of the total votes that could, under the voting rights attached to all the issued and outstanding shares of the company described in paragraph (*a*), be voted by the holders thereof;

but this subsection does not come into operation until two years from the day that subsections (2) to (8) of section 91 expire.

Idem.

(7) A person who is a director of a corporation that is incorporated under the laws of Canada or a province and is not

(*a*) a corporation controlled by the bank,

(*b*) a bank service corporation as defined in section 76, or

(*c*) a religious, educational, cultural, social, welfare, philanthropic or charitable corporation,

(5)(*b*) *New.*

(6) and (7) *New.*

is not eligible to be elected or appointed a director of the bank after the first day of July, 1971, when other directors of the bank constitute one-fifth or more of the board of directors of the corporation.

Election of directors.

19. (1) The directors shall be elected by the shareholders at the annual general meeting.

Place of annual general meeting.

(2) The annual general meeting shall be held at the place where the head office of the bank is situated or at such other place in Canada as the directors may determine.

Notice.

(3) Public notice of the annual general meeting shall be given by the directors by publishing the notice, for at least four weeks prior to the time of holding the meeting, in a newspaper published at the place where the head office of the bank is situated, and by mailing a copy of the notice to each shareholder at his recorded address at least twenty days prior to the time of holding the meeting.

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 the directors, but if at any election two or more persons have an equal number of votes, and there are not sufficient vacancies remaining in the board of directors to enable all the persons having an equal number of votes to be elected, 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 persons so having an equal number of votes shall be a director or directors.

Postponed elections.

(5) Where an election of directors is not made on the day appointed for that purpose, the election may take place on any other day, according to the by-laws, and, subject to this Act, the directors in office on the day appointed for the election of directors remain in office until new directors are elected or appointed.

Removal of director.

20. (1) The shareholders may, at any special general meeting of the shareholders called for the purpose, remove any director.

Disqualification of director.

(2) A director ceases to be a director if

(*a*) he ceases to fulfil the requirements of subsection (2) of section 18 with respect to holdings of stock, or

(*b*) he ceases to be a Canadian citizen ordinarily resident in Canada and as a result thereof the composition of the board of directors ceases to comply with subsection (3) of section 18.

19. (1) to (4) Section 22.

(5) Section 27.

20. Section 23.

Election of officers.

21. (1) The directors shall elect by ballot from their number a president and one or more vice-presidents.

Idem.

(2) The directors may elect by ballot from their number

(*a*) a chairman of the board of directors,

(*b*) one or more vice-chairmen of the board of directors,

(*c*) one or more deputy chairmen of the board of directors, and

(*d*) an honorary president.

Termination of office.

(3) A person elected to an office under this section ceases to hold that office if he ceases to be a director.

Filling of vacancies.

22. (1) Where a vacancy occurs in the board of directors, it shall be filled in the manner prescribed in the by-laws.

Canadian citizens.

(2) Where by reason of a vacancy in the board of directors the composition of the board fails to comply with subsection (3) of section 18, the directors shall, if the vacancy has not within sixty days of the occurrence thereof been filled under subsection (1), forthwith fill the vacancy.

Power of remainder to act.

(3) A vacancy in the board of directors does not impair the right of the remaining directors to act.

President.

23. (1) When a vacancy occurs in the office of the president, the directors shall from their number elect a president.

Vice-president.

(2) When a vacancy occurs in the office of a vice-president who is a director, the directors may from their number elect a vice-president and shall do so if without such election there would be no vice-president who is a director.

Meetings of directors.

24. (1) The chairman of the board, or in his absence a vice-chairman or deputy chairman of the board, if any, or the president, or in their absence a vice-president who is a director, shall preside at all meetings of the directors.

Temporary chairman.

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

Casting vote.

(3) The person presiding pursuant to this section has a vote as a director, and if there is an equal division on any question, also has a casting vote.

21. Section 24.

22. Section 25.

23. Section 26.

24. Section 28.

Executive committee.

25. The shareholders may by by-law authorize the directors to appoint from among their number when it is more than ten an executive committee of not less than five, of whom a majority shall be directors who are not officers of the bank serving it on a full time basis, and to delegate to such committee any powers of the directors subject to any restrictions contained in the by-law and to any rules, which the directors may make in that behalf.

Record of attendance.

26. A record shall be kept of the attendance at each meeting of directors, and a summary thereof for the twelve months immediately preceding the notice showing 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; the summary may state the nature and extent of the services rendered by any director who, by reason of residing at a place remote from the head office of the bank, has not attended meetings of directors.

General powers of directors.

27. (1) The directors shall administer the affairs of the bank and may make by-laws with respect to any matter except a by-law increasing the aggregate of the amounts, fixed by a shareholders' by-law, to be paid to the president, vice-president and other directors as remuneration.

Confirmation of directors' by-laws.

(2) Subject to subsection (3), where a by-law made under subsection (1) provides for a matter that the shareholders may provide for by by-law, the by-law, to the extent that it so provides, ceases to have effect at the conclusion of the annual general meeting of the shareholders next ensuing after it is made unless it is confirmed by the shareholders.

Idem.

(3) Where a special general meeting, called for the purpose of confirming a by-law made under subsection (1) or called for that and any other purpose, is held before the next following annual general meeting, the by-law ceases to have effect at the conclusion of the special general meeting unless it is confirmed at that special general meeting, and subsection (2) does not apply to a by-law that is so confirmed.

Existing by-laws continued.

(4) Subject to subsections (2) and (3), until it is otherwise prescribed by by-law under this Act, the by-laws made by the directors with respect to any matter with respect to which they may make by-laws under this section, in force at the commencement of this Act, remain in force.

Appointment of officers and employees.

28. (1) The directors may

(*a*) appoint as many officers and employees as they consider necessary for carrying on the business of the bank;

25. *New.*

26. Section 29.

27. Section 30.

28. Section 31.

(*b*) appoint one or more vice-presidents from amongst officers or employees of the bank who are not directors; and

(*c*) authorize any officer of the bank to make such of these appointments, except that of a vice-president, as they may deem expedient.

Salaries.

(2) Officers and employees appointed under subsection (1) may be paid such salaries and allowances as the directors or appointing officer determine.

Report to directors.

29. (1) The general manager shall from time to time, but not less frequently than once in each financial year of the bank, make a report to the directors upon non-current loans that are owing to the bank by any person, the aggregate of which exceeds one-tenth of one per cent of the paid-up capital and rest account of the bank.

"Non-current" loan defined.

(2) For the purposes of subsection (1) a loan is non-current if

(*a*) throughout the period of two years immediately preceding the day as of which the report is made, the borrower has not paid the interest on the loan at the agreed rate without assistance from the bank;

(*b*) the borrower has committed an act of bankruptcy or has made an assignment for the benefit of his creditors;

(*c*) the bank has taken any step for the purpose of realizing upon security in respect of the loan;

(*d*) the bank has commenced proceedings to recover all or any part of the loan or interest thereon; or

(*e*) the manager of the branch where the loan is recorded, or an officer of the bank who has examined the loan, is of the opinion that the loan ought to be regarded as non-current.

Report to be incorporated in minutes.

(3) The report shall be incorporated in the minutes of the meeting of directors at which it is received.

Meetings of Shareholders.

Special general meetings.

30. 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;

(1) (*b*) *New.*

(2) Section 32.

29. *New*, but see Section 60(1).

30. Section 33.

and the directors or shareholders shall give six weeks' previous public notice of the meeting, specifying therein the object of the meeting, and the meeting shall be held at the place where the head office of the bank is situated.

One vote for each share.

31. (1) Subject to this Act, every shareholder has, on all occasions on which the votes of the shareholders are taken, one vote for each share held by him for at least thirty days immediately before the time of the 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, except as to the election of a director, he has a casting vote.

Joint holders of shares.

(5) Subject to this Act, where two or more persons are joint holders of shares, any one of the joint holders may be authorized, by power of attorney from the other joint holder or holders, or a majority of them, to represent the 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.

Idem.

(7) Neither the general manager nor any officer or employee subordinate to the general manager shall hold a proxy for the purpose of voting.

Renewal of proxies.

(8) No appointment of a proxy to vote at a meeting of the shareholders of the bank is valid for that purpose unless it has been made or renewed in writing within the twelve months immediately preceding the time of the 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 that are then due and payable.

CAPITAL STOCK.

Increase of capital.

32. (1) The authorized capital stock of the bank may be increased by by-law of the shareholders.

Approval by Governor in Council.

(2) No by-law under this section comes into operation or has force or effect until approved by the Governor in Council.

31. Section 34.

32. Section 35.

Conditions for approval.

(3) No approval shall be given by the Governor in Council under subsection (2) 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 Governor in Council that a copy of the by-law, together with notice of intention to apply for the approval, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the head office of the bank is situated.

Governor in Council may refuse.

(4) Nothing in this section shall be construed to prevent the Governor in Council from refusing to approve a by-law under this section.

Offer of shares of capital stock.

33. (1) Any of the original unsubscribed capital stock or of the increased capital stock shall be offered to the persons who are shareholders according to the books of the bank, pro rata, at such price not less than par, at such time and on such terms as the directors determine, except that

(*a*) the price of the stock shall be paid in money;

(*b*) payment shall not be required in greater amounts or at shorter intervals than ten per cent of the price every thirty days;

(*c*) no share need be offered to a shareholder whose recorded address is in a country outside Canada, where, to the knowledge of the directors, the offer ought not to be made unless the appropriate authority in that country is furnished with information other than that contained in the statement submitted to the shareholders at the last annual general meeting and in any return under section 103 made by the bank after that meeting and more than sixty days before the date of the offer, but the directors may offer shares to such a shareholder or may in lieu of such an offer provide for him such rights in respect of shares as the directors determine, and such offers of shares or provision of rights may, subject to paragraphs (*a*), (*b*), (*d*) and (*e*), be on terms different except as to price from those of the offer to or provision for shareholders whose recorded addresses are elsewhere than in such country;

(*d*) no share shall be offered to a shareholder from whom a subscription for a share could not, by reason of paragraph (*a*) of subsection (4) of section 53, be accepted by the bank; and

(*e*) no fraction of a share shall be offered and no rights in respect of a fraction of a share shall be provided.

Notice of offer.

(2) The offer shall be mailed to the shareholder at his recorded address and the directors shall, in the offer, fix a date, not earlier than the ninetieth day after the day on

33. Section 36.

(2) Section 37.

which the offer is mailed, by which the offer is to be accepted by the shareholder or, unless the directors have prohibited the transfer of the rights under the offer, by any transferee thereof.

Disposal of shares.

34. (1) Where, under section 33,

(*a*) shares are offered but not subscribed for or rights in respect of shares are provided but not exercised, or

(*b*) shares or fractions of shares are not offered and rights in respect thereof are not provided,

the shares may, subject to this Act, be disposed of in such manner and on such terms as the directors determine, except that no share shall be sold at less than par.

Distribution of proceeds.

(2) If the average net proceeds per share of the disposal of shares under subsection (1) exceeds the price per share fixed by the directors under section 33, there shall be paid,

(*a*) to each shareholder to whom shares were offered but not subscribed for or for whom rights in respect of shares were provided but not exercised, the amount of such excess multiplied by the number of such shares;

(*b*) to each shareholder to whom shares were not offered by reason of paragraph (*c*) or (*d*) of subsection (1) of section 33 and for whom rights in respect of shares were not provided in lieu thereof, the amount of such excess multiplied by the number of such shares; and

(*c*) to each shareholder to whom a fraction of a share was not offered and for whom rights in respect of a fraction of a share were not provided by reason of paragraph (*e*) of subsection (1) of section 33, the amount of such excess multiplied by such fraction.

Stock books.

35. For the purpose of disposing of shares under section 33 or 34, the directors shall cause stock books to be opened at the head office of the bank and elsewhere in their discretion and each person acquiring shares who, prior to the time of acquisition, is not a shareholder shall, at that time, give his post office address and occupation and these particulars shall appear in the stock books in connection with the name of the person and the number of shares acquired.

Allotment of shares not income.

36. Notwithstanding any other Act, the amount or value of any money, benefit or advantage received by a shareholder as the result of an offer, allotment or distribution pursuant to sections 33 and 34 shall not be included in computing the income of the shareholder.

34. Section 38.

35. Section 39.

36. Section 40.

Reduction of capital.

37. (1) The paid-up capital stock of the bank may be reduced by by-law of the shareholders.

Approval of Governor in Council.

(2) No by-law under this section comes into operation or has force or effect until approved by the Governor in Council.

Conditions for approval.

(3) No approval shall be given by the Governor in Council under subsection (2) 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 Governor in Council that

(*a*) the shareholders voting for the by-law represented a majority of all the shares then issued and outstanding, and

(*b*) a copy of the by-law, together with notice of intention to apply for the approval, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the head office of the bank is situated.

Statements to be submitted.

(4) In addition to evidence of the passing of the by-law, and of the publication thereof in the manner provided in this section, statements showing in respect of the bank

(*a*) the number of its shares issued and outstanding,

(*b*) the number of its shares represented by the shareholders who voted for the by-law,

(*c*) its assets and liabilities, and

(*d*) the reason why the reduction is sought,

shall be submitted to the Governor in Council at the time of the application for the approval of the by-law.

Governor in Council may refuse.

(5) Nothing in this section shall be construed to prevent the Governor in Council from refusing to approve a by-law under this section.

Not to affect liability for unpaid subscriptions.

(6) The passing of the by-law, and any reduction of the capital stock of the bank thereunder, does not in any way diminish or interfere with the liability of the shareholders of the bank for unpaid subscriptions for shares at the time of the approval of the by-law.

Limit of reduction.

(7) The paid-up capital stock shall not be reduced below the amount of five hundred thousand dollars.

Shares and Calls.

Shares personalty.

38. The shares of the capital stock of the bank are personal property.

Calls on shares.

39. (1) The directors may make such calls of money from the several shareholders for the time being, upon the amounts remaining unpaid in respect of the shares subscribed for by them respectively, as they find necessary.

Number.

(2) Any number of calls may be made by one resolution.

37. Section 41.

38. Section 42.

39. Section 43.

Time of payment.

(3) Calls shall be payable at intervals of not less than thirty days.

Notice.

(4) Notice of calls shall be given to the shareholders.

Amount.

(5) Subject to this Act, no call shall exceed ten per cent of the amount subscribed in respect of each share.

Calls when capital lost.

40. (1) Where 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 in an amount equal to the amount of the loss or the amount of the subscription price of the stock remaining unpaid, whichever is the lesser.

Report to Minister.

(2) The directors shall forthwith report to the Minister the amount of any loss to which this section refers and the calls, if any, made in respect thereof.

Recovery of calls.

41. In case of the non-payment of a call or of an instalment under a subscription for shares, the directors may, in the name of the bank, sue for and recover the amount of the call or instalment, or may declare the shares in respect of which default is made to be forfeited to the bank in accordance with section 42.

Forfeiture of shares.

42. (1) Where a shareholder fails to pay an instalment or call upon his shares of the capital stock of the bank when it is due, and thereafter fails to make the payment on or before a day fixed in a notice directed to him in accordance with the by-laws or a resolution of the directors, the directors may, by resolution, declare forfeited the shares in respect of which the payment is in default.

Sale of forfeited shares.

(2) Shares declared forfeited under subsection (1) become, by such declaration, the property of the bank, and the directors shall, before the expiry of six months from the declaration, sell them to such persons, in such manner and on such terms as they may determine.

Liability of former shareholder.

(3) Notwithstanding the forfeiture of shares under this section, the shareholder who immediately prior to the forfeiture was the holder of the shares, continues to be liable to the bank for the amount of the subscription price of the shares that was unpaid at the time of forfeiture, less such amounts as are subsequently received by the bank in respect of the shares.

Recovery by action.

43. In any action brought to recover any money due on any instalment or call, it is not necessary to set forth the special matter in the declaration or statement of claim, but it is sufficient to allege that the defendant is the holder of one share or more, as the case may be, of 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

40. Section 44.

41. Section 45.

42. Section 46.

43. Section 47.

the instalments or calls amount, as the case may be, stating the amount and number of the instalments or calls, and it is not necessary, in any such action, to prove the appointment of the directors.

TRANSFER AND TRANSMISSION OF SHARES.

Shares transferable.

44. (1) Shares of the capital stock of the bank are transferable in such manner and subject to such conditions as are prescribed by this Act or by by-law.

Fractions.

(2) No fraction of a share is transferable.

Register of shareholders.

45. (1) The bank shall keep in Canada a register of shareholders recording the names and post office addresses of its shareholders and the number of shares held by each.

Registers of transfers.

(2) The bank shall keep a register or registers of transfers in which transfers of shares may be made or recorded and transmissions of shares may be recorded in accordance with such provisions in respect thereof as the directors may see fit to make.

Extract from register of shareholders.

(3) The bank shall keep on record at each place where a register of transfers of the bank is kept an extract from the register of shareholders showing, as at a date not more than four months earlier,

(*a*) the name of each shareholder who holds shares of the capital stock of the bank having an aggregate par value of more than five thousand dollars;

(*b*) the place of the recorded address of each such shareholder; and

(*c*) the number of shares held by him.

Inspection of register and extract.

(4) A register of transfers and an extract from the register of shareholders referred to in subsection (3) may, during banking hours, be inspected by any shareholder or by his representative authorized in writing.

Discontinuance of register of transfers.

(5) The directors may discontinue any register of transfers, but there shall be at least one register of transfers in Canada.

Agents.

(6) The directors may appoint agents for the keeping of the register of shareholders and any register of transfers and the making of entries therein.

Transfer of shares.

46. Unless otherwise provided by by-law, no transfer of shares of the capital stock of the bank is valid unless

(*a*) it is made in a register of transfers of the bank; and

(*b*) the person making the transfer has, if required by the bank, previously discharged all his debts and liabilities to the bank that exceed in amount the then market value of the remaining shares, if any, belonging to such person.

44 to **51.** Replacing Sections 48 to 55.

Requirements for valid transfer.

47. (1) Unless under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, all sales or transfers of shares, and all contracts and agreements in respect thereof, made or purporting to be made, are null and void if the person making the sale or transfer, or the person in whose name or on whose behalf the sale or transfer is made, at the time of the sale or transfer

(*a*) is not 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 not the registered owner's assent to the sale or transfer.

Purchaser's rights preserved.

(2) Nothing in subsection (1) affects the rights and remedies, under any contract of sale that does not comply with the conditions and requirements mentioned in that subsection, of any purchaser who has no knowledge of such non-compliance.

Transfer to be recorded.

48. (1) Where under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, no transfer of shares is, until it has been duly recorded in a register of transfers of the bank, valid for any purpose whatever, save only as exhibiting the rights of the parties thereto towards each other, and if absolute of rendering any transferee jointly and severally liable with the transferor to the bank and its creditors.

Delivery of certificate a valid transfer.

(2) Notwithstanding subsection (1), the delivery of a certificate for fully paid shares the transfer of which need not be made in the books of the bank, with a duly executed transfer endorsed thereon or delivered therewith, constitutes a valid transfer of the shares comprised therein, if such shares are listed on any recognized stock exchange at the time of such delivery, but, until the transfer of the shares has been duly recorded in a register of transfers of the bank, the bank shall treat the registered holder of the shares as being solely entitled to receive notice of and to vote at meetings of shareholders and to receive any payment in respect of such shares whether by way of dividend or otherwise.

Sale of shares under process.

49. (1) When a share of the capital stock of the bank has been sold under a writ of execution or under the decree, order or judgment of a court, the transfer of the share from the registered holder thereof to the purchaser at the sale shall be recorded in a register of transfers of the bank but only after receipt by the bank of an attested copy of the writ, decree, order or judgment bearing a certificate

44 to **51.** Replacing Sections 48 to 55.

signed by the officer who conducted the sale certifying to whom the sale was made, or other evidence satisfactory to the bank of the sale and the identity of the purchaser, and after the discharge of all debts and liabilities to the bank of the registered holder of the share and of all liens thereon in favour of the bank and, where under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, after surrender to the bank of the certificate for the share.

Effect of recording sale under process.

(2) Where it is necessary that transfers of shares of its capital stock be made in the books of the bank, a transfer recorded in accordance with subsection (1) shall have the same effect as though it were a valid transfer made in the books of the bank by the registered holder of the share.

Transmission of share by operation of law.

50. (1) Where the transmission of a share of the capital stock of the bank takes place by operation of law otherwise than because of the death of a shareholder, the bank shall be furnished with an affidavit or declaration in writing in form satisfactory to it signed by or on behalf of a person claiming under the transmission stating the nature and effect of the transmission together with any corroborative evidence that the bank may request, and where under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, with the certificate for the share, and thereupon the transmission shall be recorded in a register of transfers of the bank.

Exercise of rights as shareholder.

(2) Until the transmission has been recorded in a register of transfers of the bank, no person claiming a share by virtue thereof is entitled to receive notice of or vote at meetings of shareholders or to receive any payment in respect of such share whether by way of dividend or otherwise.

Transmission by decease.

51. (1) Where the transmission of a share of the capital stock of the bank takes place because of the death of a shareholder, the delivery to the bank

(*a*) of an affidavit or declaration in writing in form satisfactory to the bank signed by or on behalf of a person claiming by virtue of the transmission stating the nature and effect of the transmission,

(*b*) when the claim is based on

(i) a will or other testamentary instrument or on a grant of probate thereof or on such a grant and letters testamentary or other document of like import or on a grant of letters of administration or other document

44 to **51.** Replacing sections 48 to 55.

51. Section 55.

of like import, purporting to be issued by any court or authority in Canada or elsewhere, of an authenticated copy or certificate thereof under the seal of the court or authority without proof of the authenticity of the seal or other proof, or

(ii) a notarial will, of an authenticated copy thereof, and

(*c*) if under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, of the certificate for the share,

is sufficient justification and authority for paying any dividend and for recording and giving effect to the transmission in accordance with the claim.

Exercise of rights of claimants.

(2) Until the transmission has been recorded in a register of transfers of the bank, no person claiming a share by virtue thereof is entitled to receive notice of or vote at meetings of shareholders or to receive any payment in respect of such share whether by way of dividend or otherwise.

Definitions.

52. (1) In this section and sections 53 to 57,

"Agent."

(*a*) "agent" means

(i) in relation to Her Majesty in right of Canada or in right of a province, any agent of Her Majesty in either such right and includes a municipal or public body empowered to perform a function of government in Canada or any corporation empowered to perform a function or duty on behalf of Her Majesty in either such right, but does not include a person performing a function or duty in connection with

(A) the administration or management of the estate or property of an individual, or

(B) the administration, management or investment of a fund established to provide compensation, hospitalization, medical care, annuity, pension or similar benefits to particular classes of individuals, or moneys derived from such a fund, and

(ii) in relation to the government of a foreign state or any political subdivision thereof, a person empowered to perform a function or duty on behalf of the government of a foreign state or any political subdivision thereof other than a function or duty in

52. *New.*

connection with the administration or management of the estate or property of an individual;

"Corporation." (*b*) "corporation" includes an association, partnership or other organization;

"Non-resident." (*c*) "non-resident" means

(i) an individual who is not ordinarily resident in Canada,

(ii) a corporation incorporated, formed or otherwise organized, elsewhere than in Canada,

(iii) the government of a foreign state or any political subdivision thereof, or an agent of either,

(iv) a corporation that is controlled directly or indirectly by non-residents as defined in any of subparagraphs (i) to (iii),

(v) a trust

(A) established by a non-resident as defined in any of subparagraphs (ii) to (iv) other than a trust for the administration of a pension fund for the benefit of individuals a majority of whom are residents, or

(B) in which non-residents as defined in any of subparagraphs (i) to (iv) have more than fifty per cent of the beneficial interest, or

(vi) a corporation that is controlled directly or indirectly by a trust defined in subparagraph (v) as a non-resident; and

"Resident." (*d*) "resident" means an individual, corporation or trust that is not a non-resident.

Associated shareholder. (2) For the purposes of sections 53 to 57, a shareholder is, except as provided by subsection (6), deemed to be associated with another shareholder if

(*a*) one shareholder is a corporation of which the other shareholder is an officer or director;

(*b*) one shareholder is a partnership of which the other shareholder is a partner;

(*c*) one shareholder is a corporation that is controlled directly or indirectly by the other shareholder;

(*d*) both shareholders are corporations and one shareholder is controlled directly or indirectly by the same government in Canada, foreign government or individual or corporation that controls the other shareholder;

(*e*) both shareholders are members of a voting trust where the trust relates to shares of the bank; or

(*f*) both shareholders are associated within the meaning of paragraphs (*a*) to (*e*) with the same shareholder.

Meaning of "shareholder" and shares being "held."

(3) For the purposes of this section and sections 53 to 57, a "shareholder" is a person who according to the books of the bank is the holder of one or more shares of the capital stock of the bank and a reference in sections 53 to 57 to a share being held by or in the name of any person is a reference to his being the holder of the share according to the books of the bank.

Shares held jointly.

(4) For the purposes of sections 53 to 57, where a share of the capital stock of the bank is heid jointly and one or more of the joint holders thereof is a non-resident, the share is deemed to be held by a non-resident.

Change of status of resident corporation or trust.

(5) Where after the coming into force of this Act a corporation or trust that was at any time a resident becomes a non-resident, any shares of the capital stock of the bank acquired by the corporation or the trust while it was a resident and held by it while it is a non-resident shall be deemed, for the purposes of sections 53 and 54, to be shares held by a resident for the use or benefit of a non-resident.

Exceptions.

(6) Notwithstanding subsection (2),

(*a*) where one shareholder who is a resident and who, but for this paragraph, would be deemed to be associated with another shareholder submits to the bank a declaration stating that none of the shares of the capital stock of the bank held by him or to be held by him is or will be, to his knowledge, held in the right of, or for the use or benefit of, himself or any person with whom, but for this paragraph, he would be deemed to be associated, neither shareholder is deemed to be associated with the other so long as the shares of the capital stock of the bank from time to time held by the shareholder who made the declaration are not held contrary to the statements made in the declaration;

(*b*) two shareholders that are corporations and at least one of which is a resident, shall not be deemed to be associated with each other by virtue of paragraph (*f*) of subsection (2) by reason only that each is deemed under paragraph (*a*) of that subsection to be associated with the same shareholder; and

(*c*) where it appears from the register of shareholders of the bank that the total par value of the shares of the capital stock of the bank held by a shareholder is not more than five thousand dollars, he shall not be deemed to be associated with any other shareholder and no other shareholder shall be deemed to be associated with him.

Limit on shares held by non-residents.

53. (1) The bank shall refuse to allow a transfer of a share of the capital stock of the bank to a non-resident to be made or recorded in a register of transfers of the bank

(*a*) if, when the total number of shares of the capital stock of the bank held by non-residents exceeds twenty-five per cent of the total number of the issued and outstanding shares of such stock, the transfer would increase the percentage of such shares held by non-residents; or

(*b*) if, when the total number of shares of the capital stock of the bank held by non-residents is twenty-five per cent or less of the total number of the issued and outstanding shares of such stock, the transfer would cause the total number of such shares held by non-residents to exceed twenty-five per cent of the total number of the issued and outstanding shares of such stock.

Limit on shares held by any person.

(2) The bank shall refuse to allow a transfer of a share of the capital stock of the bank to any person to be made or recorded in a register of transfers of the bank

(*a*) if, when the total number of shares of the capital stock of the bank held by such person and by other shareholders associated with him, if any, exceeds ten per cent of the total number of the issued and outstanding shares of such stock, the transfer would increase the percentage of such shares held by such person and by other shareholders associated with him, if any; or

(*b*) if, when the total number of shares of the capital stock of the bank held by such person and by other shareholders associated with him, if any, is ten per cent or less of the total number of the issued and outstanding shares of such stock, the transfer would cause the total number of such shares held by such person and by other shareholders associated with him, if any, to exceed ten per cent of the issued and outstanding shares of such stock.

No shares to be transferred to a government.

(3) The bank shall refuse to allow a transfer of a share of the capital stock of the bank to

(*a*) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right, or

53. *New.*

(*b*) the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof,

to be made or recorded in a register of transfers of the bank.

Issue of shares.

(4) The bank shall not accept a subscription for a share of the capital stock of the bank

(*a*) by Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right or by the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof, or

(*b*) except as otherwise provided in subsection (5), in circumstances where if the subscription were a transfer of the share the bank would be required under subsection (1) or (2) to refuse to allow the transfer to be made or recorded; but in the case of a subscription pursuant to an offer under section 33 the bank may count as shares issued and outstanding all the shares included in the offer.

Conditional offer of shares.

(5) Subject to paragraph (*a*) of subsection (4), where an offer of shares of the capital stock of the bank is made under section 33, the bank may accept any subscription

(*a*) if the terms of the offer contain provisions to the effect that in the case of a share offered to a shareholder whose recorded address, at the time fixed for determining the shareholders to whom the offer is made, is a place within Canada and who is not at that time, to the knowledge of the bank, a non-resident, a subscription will not be accepted if the share is to be recorded in the name of a non-resident;

(*b*) if the subscription is accompanied by a declaration by the subscriber

(i) as to whether the person in whose name the share is to be recorded is a resident or a non-resident, and

(ii) to the effect that the total number of shares of the capital stock of the bank that will, if the subscription is accepted,

be held by such person and by other shareholders associated with him, if any, will not exceed ten per cent of the total number of the shares of the capital stock of the bank that will be issued and outstanding on the issue of all shares included in the offer; and

(*c*) if, on the basis of such declaration, the acceptance of the subscription is not contrary to the terms of the offer.

Transfers by nominees.

(6) Notwithstanding subsections (1) and (2), the bank may allow a transfer of any share of the capital stock of the bank to be made or recorded in a register of transfers where the transfer is from a resident to a non-resident and it is shown to the bank on evidence satisfactory to it that the share was on the 22nd day of September, 1964, held by the resident in the right of or for the use or benefit of the non-resident.

Saving.

(7) Default in complying with the provisions of this section does not affect the validity of a transfer of a share of the capital stock of the bank that has been made or recorded in a register of transfers of the bank or the validity of the acceptance of a subscription for a share of the capital stock of the bank.

Voting by resident nominees of non-residents prohibited.

54. (1) Notwithstanding section 31, and except as provided in section 56, where a resident holds shares of the capital stock of the bank in the right of, or for the use or benefit of, a non-resident, the resident shall not, in person or by proxy, exercise the voting rights pertaining to those shares.

Suspension of voting rights.

(2) Notwithstanding section 31, and except as provided in section 56, where the total of

(*a*) the number of shares of the capital stock of the bank held in the name or right of or for the use or benefit of a person, and

(*b*) the number of shares of the capital stock of the bank held in the name or right of or for the use or benefit of

(i) any shareholders associated with the person mentioned in paragraph (*a*), or

(ii) any other person who would be deemed under subsection (2) of section 52 to be associated with the person mentioned in paragraph (*a*), if both he and such other person were shareholders,

exceeds ten per cent of the issued and outstanding shares of such stock,

54. *New.*

(*c*) no person shall, in person or by proxy, exercise the voting rights pertaining to any of the shares referred to in paragraph (*a*) that are held in the name of a resident, and

(*d*) no person shall, in person or as proxy, exercise the voting rights pertaining to any of the shares referred to in paragraph (*a*) that are held in the name of a non-resident.

Voting rights of shares held by government.

(3) Notwithstanding section 31, and except as provided in section 56, the voting rights pertaining to any shares of the capital stock of the bank shall not be exercised when the shares are held in the name or right of or for the use or benefit of

(*a*) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right;

(*b*) the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof; or

(*c*) a person administering, managing or investing any fund or moneys referred to in clause (B) of subparagraph (i) of paragraph (*a*) of subsection (1) of section 52.

Presumption by person acting as proxy.

(4) Where it appears from the register of shareholders of the bank that the total par value of the shares of the capital stock of the bank held by a shareholder is not more than five thousand dollars, a person acting as proxy for the shareholder at a general meeting of the bank is entitled to assume that the shareholder holds the shares in his own right and for his own use and benefit, unless the knowledge of the person acting as proxy is to the contrary.

Effect of contravention.

(5) If any provision of this section is contravened at a general meeting of the shareholders of the bank, no proceeding, matter or thing at that meeting is void by reason only of such contravention, but any such proceeding, matter or thing is, at any time within nine months from the day of commencement of the general meeting at which the contravention occurred, voidable at the option of the shareholders by a resolution passed at a special general meeting of the shareholders.

By-laws.

55. (1) The directors may make such by-laws as they deem necessary to carry out the intent of sections 52 to 57 and in particular, but without restricting the generality of the foregoing, the directors may make by-laws

(*a*) requiring any person in whose name a share of the capital stock of the bank is held to submit a declaration

55. *New.*

(i) with respect to the ownership of such share,

(ii) with respect to the place in which the shareholder and any person in whose right or for whose use or benefit the share is held are ordinarily resident,

(iii) whether the shareholder is associated with any other shareholder, and

(iv) with respect to such other matters as the directors may deem relevant for the purposes of sections 52 to 57;

(*b*) requiring any person desiring to have a transfer of a share to him made or recorded in a register of transfers of the bank or desiring to subscribe for a share of the capital stock of the bank to submit such a declaration as may be required pursuant to this section in the case of a shareholder; and

(*c*) providing for the determination of the circumstances in which any declarations shall be required, their form and the times at which they are to be submitted.

Where declaration pending.

(2) Where pursuant to any by-law made under subsection (1) any declaration is required to be submitted by any shareholder or person in respect of the transfer of or subscription for any share, the bank may refuse to allow such transfer to be made or recorded in a register of transfers of the bank or to accept such subscription without the submission of the required declaration.

Reliance upon information.

(3) The bank and any person who is a director, officer, employee or agent of the bank, may rely upon any information contained in a declaration required by the bank pursuant to this section or any information otherwise acquired in respect of any matter that might be the subject of such a declaration; and no action lies against the bank or any such person for anything done or omitted in good faith in reliance upon any such information.

Computing non-resident holdings.

(4) Where for any of the purposes of section 53, the bank requires to establish the total number of shares of the capital stock of the bank held by non-residents, the bank may calculate the total number of such shares held by non-residents to be the total of

(*a*) the number of shares held by all shareholders whose recorded addresses are places outside Canada; and

(*b*) the number of shares held by all shareholders each of whose aggregate individual holdings of such shares has a par value of more than five thousand dollars and whose recorded addresses are places within Canada but who to the knowledge of the bank are non-residents;

and such calculation may be made as of a date not earlier than the day of commencement of this Act or four months

before the day on which the calculation is made, whichever is the later date.

Limiting transfers.

(5) Where by any calculation made under subsection (4) the total number of shares held by non-residents is under twenty-five per cent of the total issued and outstanding shares of the capital stock of the bank, the number of shares the transfer of which by residents to non-residents the bank may allow to be made or recorded in the registers of transfers of the bank shall be so limited as not to increase the total number of shares held by non-residents to more than twenty-five per cent of the total issued and outstanding shares of the capital stock of the bank.

Exception for small holdings.

(6) Notwithstanding subsections (1) and (2) of section 53, where in the case of a transfer of any shares of the capital stock of the bank to a transferee it appears that

(*a*) the aggregate par value of all shares of the capital stock of the bank held by the transferee as shown by the register of shareholders of the bank at a date not more than four months earlier is not more than five thousand dollars, and

(*b*) the aggregate par value of the shares included in the transfer and any shares acquired by the transferee after the date mentioned in paragraph (*a*) and still held by him as shown by the register of transfers of the bank in which it is sought to have the transfer made or recorded is not more than five thousand dollars,

the bank is entitled to assume that the transferee is not and will not be associated with any other shareholder and, unless the address to be recorded in the register of shareholders of the bank for the transferee is a place outside Canada, that he is a resident.

Definitions.

56. (1) In this section,

"Associates of the non-resident."

(*a*) "associates of the non-resident" means, with reference to any particular day,

(i) any shareholders associated with the non-resident on that day, and

(ii) any persons who would, under subsection (2) of section 52, be deemed to be shareholders associated with the non-resident on that day if both he and such persons were shareholders;

"Associates of the resident."

(*b*) "associates of the resident" means, with reference to any particular day,

(i) any shareholders associated with the resident on that day, and

(ii) any persons who would, under subsection (2) of section 52, be deemed to be shareholders associated with the resident on that day if both he and such persons were shareholders;

56. *New.*

"Prescribed day."

(*c*) "prescribed day" means the 17th day of February, 1965;

"Shares held by or for the non-resident and associates."

(*d*) "shares held by or for the non-resident and associates" means, with reference to any particular day, the aggregate number of shares held on that day in the name or right of or for the use or benefit of the non-resident and associates of the non-resident on that day;

"Shares held by or for the resident and associates."

(*e*) "shares held by or for the resident and associates" means, with reference to any particular day, the aggregate number of shares held on that day in the name or right of or for the use or benefit of the resident and associates of the resident on that day.

Exception for non-resident ownership of bank.

(2) Where more than fifty per cent of the issued and outstanding shares of the capital stock of the bank were held on the 22nd day of September, 1964 in the name or right of or for the use or benefit of one non-resident, sections 53 and 54 do not apply to or in respect of the bank; but if at any time thereafter there is no one person in whose name or right or for whose use or benefit more than ten per cent of the issued and outstanding shares of the capital stock of the bank are held, those sections apply from and after that time to and in respect of the bank.

Exception for individual resident and associate holdings.

(3) Where at the commencement of the prescribed day the number of shares of the capital stock of the bank held in the name or right of or for the use or benefit of a resident together with the number of such shares, if any, held at the commencement of that day in the name or right of or for the use or benefit of any associates of the resident exceeded ten per cent of the number of shares of the capital stock of the bank at that time issued and outstanding, the voting rights pertaining to the shares held in the name or right of or for the use or benefit of the resident may, notwithstanding subsection (2) of section 54, be exercised, in person or by proxy, so long as the percentage of such shares held by or for the resident and associates does not exceed either the percentage of such shares held by or for the resident and associates at the commencement of the prescribed day or the smallest percentage of such shares held by or for the resident and associates on any subsequent day; but this subsection shall not be construed to prohibit the exercise of voting rights in circumstances where section 54 does not apply.

Exception for individual non-resident and associate holdings.

(4) Where on the 22nd day of September, 1964, the number of shares of the capital stock of the bank held in the name or right of or for the use or benefit of a non-resident together with the number of such shares, if any, held on that day in the name or right of or for the use or benefit of any associates of the non-resident exceeded ten per cent of the number of shares of the capital stock of the

bank at that time issued and outstanding, the voting rights pertaining to the shares held in the name or right of or for the use or benefit of the non-resident may, notwithstanding subsection (2) of section 54, be exercised, in person or by proxy, so long as the percentage of such shares held by or for the non-resident and associates does not exceed either the percentage of such shares held by or for the non-resident and associates on the 22nd day of September, 1964, or the smallest percentage of such shares held by or for the non-resident and associates on any subsequent day; but this subsection shall not be construed to prohibit the exercise of voting rights in circumstances where section 54 does not apply.

Transfers by nominees.

(5) Notwithstanding subsections (2) and (3) of section 53, the bank may allow a transfer of a share of the capital stock of the bank to be made or recorded in a register of transfers of the bank where the transfer is to

(*a*) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right,

(*b*) the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof, or

(*c*) a resident,

if it is shown to the bank on evidence satisfactory to it that the share was at the commencement of the prescribed day held in the right of or for the use or benefit of the transferee.

Voting rights on non-resident holdings acquired after 22nd September, 1964.

(6) If, at any time after the 22nd day of September, 1964 and before the coming into force of section 53, the bank allowed to be made or recorded in a register of transfers of the bank a transfer of any share of the capital stock of the bank to a non-resident that it would have been required to refuse under section 53 had that section come into force on the 23rd day of September, 1964, no person shall, in person or as proxy, exercise the voting rights pertaining to such share until such time as the share is transferred to a resident, unless

(*a*) the total par value of all shares of the capital stock of the bank held by the non-resident is not more than five thousand dollars, or

(*b*) the percentage of the shares of the capital stock of the bank held by non-residents on the day of commencement of this Act does not exceed

(i) twenty-five per cent, or

(ii) the percentage of such shares held by non-residents on the 22nd day of September, 1964, if such percentage was on that day greater than twenty-five per cent,

and the total number of such shares held by or for the non-resident and associates does not exceed ten per cent of the total number of the issued and outstanding shares of the capital stock of the bank;

but nothing in this subsection shall be construed to permit any person to exercise the voting rights pertaining to a share of the capital stock of the bank that is held in the name of the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof, if the transfer of the share to the holder was made or recorded in a register of transfers of the bank on or after the prescribed day.

Shares held on prescribed day by government or fund.

(7) Where at the commencement of the prescribed day any share of the capital stock of the bank was held in the name or right of or for the use or benefit of

(*a*) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right; or

(*b*) a person administering, managing or investing any fund or moneys referred to in clause (B) of subparagraph (i) of paragraph (*a*) of subsection (1) of section 52;

the voting rights pertaining to the share so held may be exercised, in person or by proxy, so long as the share is held in such name or right or for such use or benefit.

Calculation of non-resident shareholders.

(8) For the purposes of subsection (6), the total number of shares of the capital stock of the bank held by non-residents on the 22nd day of September, 1964, or on any day thereafter to and including the day of commencement of this Act, may be calculated, in respect of any of those days, in the same manner as the total number of such shares may be calculated under subsection (4) of section 55.

Exception for new banks.

57. (1) Where a bank is incorporated on or after the prescribed day, as defined in paragraph (*c*) of subsection (1) of section 56, the bank, with the prior approval of the Governor in Council, may, either before or after the first general meeting of the shareholders of the bank, accept subscriptions for shares by residents without regard to the provisions of section 53, but no such subscriptions for shares may be accepted by the bank except in accordance with and subject to such terms and conditions as the Governor in Council may by order prescribe.

Voting rights.

(2) Notwithstanding subsection (2) of section 54, the voting rights pertaining to any shares of the capital stock of the bank acquired through the acceptance of a

57. *New.*

subscription pursuant to subsection (1) of this section and held in the name of and for the use or benefit of a resident may be exercised by or on behalf of the holder thereof in accordance with and subject to such terms and conditions as the Governor in Council may by order prescribe.

SHARES SUBJECT TO TRUSTS.

Bank not bound to see to trusts.

58. (1) The bank is not bound to see to the execution of any trust, whether express, implied or constructive, to which any share of its capital stock is subject.

Receipt

(2) Except only in the case of a claim made in the manner referred to in paragraph (*b*) of subsection (1) of section 95, by some other person, the receipt of the person in whose name any 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 is a sufficient discharge to the bank for any dividend or any other sum of money payable in respect of the share, and the bank is not bound to see to the application of the money paid upon such receipt, whether given by one of such persons or all of them.

Executor or trustee not personally liable.

59. (1) No person holding shares of the capital stock of 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 shares are so held is named in the books of the bank in connection with such holding,

is personally subject to any liability as a shareholder for unpaid subscriptions for shares; but the estate and funds in his hands are 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 shares in his own name.

Cestui que trust liable.

(2) Where the trust is for an individual or corporation, such individual or corporation is also liable as a shareholder to the extent of his or its respective interest in the shares.

Executor or trustee liable where trust not named.

(3) Where 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 is personally liable in respect of the shares as if he held them in his own name as owner thereof.

58. Section 56.

59. Section 57.

ANNUAL AND OTHER STATEMENTS.

Financial year.

60. (1) The financial year of the bank shall end on the expiration of the 31st day of October in each year, but when the approval permitting it to commence business is obtained by a bank after the first day of May in any year and after the coming into force of this Act, the first financial year of the bank shall end on the expiration of the 31st day of October in the next calendar year.

Statement required at annual general meeting.

(2) At every annual general meeting of the shareholders, the outgoing directors shall submit a statement (hereinafter called the "annual statement"), which shall present fairly the financial position of the bank for the financial year immediately preceding the meeting, and shall contain

(*a*) a statement of assets and liabilities of the bank as at the end of the financial year, showing the information in the form specified in Schedule N and such additional information and particulars as in the opinion of the directors are necessary to present fairly the financial position of the bank,

(*b*) a statement of revenue, expenses and undivided profits of the bank for the financial year, showing the information in the form specified in Schedule O and such additional information and particulars as in the opinion of the directors are necessary to present fairly the balance available for distribution of profits earned in the financial year, and

(*c*) a statement of the accumulated appropriations for losses on investments and loans of the bank for the financial year, showing the information in the form specified in Schedule P and such additional information and particulars as in the opinion of the directors are necessary to present fairly the balance set aside or reserved out of income, other than amounts referred to in subsection (2) of section 69.

How statement signed.

(3) The annual statement shall be signed

(*a*) on behalf of the board of directors, by the chairman or a vice-chairman or a deputy chairman of the board or the president or a vice-president who is a director or two other directors, and

(*b*) by the general manager or a person duly authorized to sign in the place of the general manager.

Statement of controlled corporations.

(4) Where the bank carries on any part of its operations in the name of a corporation controlled by the bank, there shall be annexed to the annual statement a statement of assets and liabilities of the corporation, which shall

60. Section 58.
(1) *New.*

(2) (*b*) and (*c*). *New.*

(*a*) present fairly the financial position of the corporation as at the end of its financial year ending within the financial year of the bank to which the annual statement relates, and

(*b*) show the value at which the interest of the bank in the corporation is shown on the books of the bank as at the end of the said financial year of the corporation,

unless

(*c*) the corporation carries on the business of banking outside of Canada,

(*d*) the bank owns all the issued and outstanding capital stock of the corporation except the qualifying shares of directors, and

(*e*) in the annual statement the assets and liabilities of the corporation are consolidated with those of the bank and attention is drawn to the consolidation by way of footnote.

To be mailed to shareholders.

(5) The directors shall, within forty-five days after the annual general meeting, mail to each shareholder at his recorded address a copy of the minutes of the meeting and a copy of the annual statement and any statements annexed thereto, and within the same time the directors shall mail a certified copy of the minutes and statements to the Minister.

Amendment of Schedules.

(6) The Governor in Council may amend Schedules N, O and P.

Additional statements.

61. The directors shall, in addition to the annual statement, submit to the shareholders such other statements of the affairs of the bank in such manner and at such times as the shareholders by by-law require.

Depreciation of bank premises.

62. In any statement or return of the bank, an amount that, with the approval of the shareholders at any annual or special general meeting, has been appropriated out of profits to write-down the valuation of its bank premises, shall not be taken into account for any other purpose unless and until the shareholders in like manner approve thereof.

SHAREHOLDERS' AUDIT.

Auditors.

63. (1) The affairs of the bank shall be audited by two auditors appointed in accordance with this section, each of whom at the time of his appointment is an accountant who

Qualification.

(*a*) is a member in good standing of an institute or association of accountants incorporated by or under the authority of the legislature of a province;

61. Section 59.

62. Section 60(2).

63. (1)–(3). Section 61(1)–(3).

(*b*) is ordinarily resident in Canada; and

(*c*) has practised his profession in Canada continuously during the six consecutive years immediately preceding his appointment.

Appointment.

(2) The shareholders shall, at each annual general meeting, appoint two persons having the qualifications specified in subsection (1), but not being members of the same firm, to be the auditors of the bank until the next ensuing annual general meeting, but if the same two persons or if members of the same two firms have been appointed for two consecutive years as auditors of the bank, one such person or a member of his firm shall not be appointed as auditor of the bank for the period of two years next following the term for which he was last appointed; and no person shall be so appointed if he or a member of his firm is a director, officer or employee of the bank.

Minister may revoke appointments.

(3) The Minister may at any time revoke the appointment of an auditor by notice in writing signed by the Minister and sent by registered mail addressed to the auditor at his usual place of business and shall at the same time furnish a copy thereof to the bank.

Disqualification.

(4) An auditor ceases to hold office

(*a*) on the day on which a notice is mailed to him under subsection (3), or

(*b*) if he or a member of his firm becomes a director, officer or employee of the bank.

Vacancy.

(5) When a vacancy occurs in the office of auditor of a bank, the bank shall forthwith give notice thereof to the Minister, who shall appoint a person having the qualifications specified in subsection (1) to be an auditor of the bank until the next ensuing annual general meeting.

Remuneration.

(6) The shareholders shall, at the time they appoint the auditors, fix their remuneration, and when a vacancy occurs in the office of auditor and is filled under this section, the remuneration so fixed shall be divided, in such manner as the directors determine, amongst the person originally appointed or his legal representative, the continuing auditor and the person appointed to fill the vacancy.

Access to books, etc.

(7) The auditors of the bank have a right of access to the books, minutes, accounts, cash, securities, documents and vouchers of the bank and any security held by the bank, and are entitled to require such information and explanations as they deem necessary for the performance of their duties as auditors.

Minister may require report on procedure.

(8) The Minister may require that the auditors of the 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.

63. (4)–(10). Section 61 (4)–(10).

Minister may enlarge audit.

(9) The Minister may enlarge or extend the scope of the audit or direct any other or particular examination to be made or procedure to be established in any particular case as, in his opinion, the public interest may require, and the bank shall, in respect thereof, pay to the auditor such remuneration, in addition to that fixed under subsection (6), as the Minister allows.

Report by auditors.

(10) It is the duty of the auditors to report individually or jointly as they see fit to the president and general manager in writing any transactions or conditions affecting the well-being of the bank that in their opinion are not satisfactory and require rectification, and without restricting the generality of this requirement, they shall as occasion requires make a report to the president and general manager with respect to

(*a*) transactions of the bank that have come under their notice which, in their opinion, have not been within the powers of the bank, and

(*b*) loans owing to the bank by any person the aggregate amount of which exceeds one-half of one per cent of the paid-up capital and rest account of the bank, in respect of which, in their opinion, loss to the bank is likely to occur;

but when a report required by paragraph (*b*) has been made in respect of loans to any person it is not necessary to report again in respect of loans to that person unless in the opinion of the auditors the amount of the loss likely to occur has increased.

Transmission of report.

(11) Where the auditors make a report under subsection (10) they shall transmit it, in writing, to the president and general manager of the bank and the report shall be presented to the meeting of the directors next ensuing after it has been received and it shall be incorporated in the minutes thereof; and the auditors shall, at the time of transmitting the report to the president and general manager, furnish a copy of the report to the Minister.

Report to shareholders.

(12) The auditors shall make a report to the shareholders on the statement of the assets and liabilities and on the statement of revenue, expenses and undivided profits of the bank to be submitted by the directors to the shareholders under section 60.

Content of report.

(13) The auditors' report shall state whether, in their opinion, the statements referred to in the report present fairly the financial position of the bank as at the end of the financial year and its revenue, expenses and undivided profits for the year, and shall include such remarks as they consider necessary in any case where

(*a*) they have not obtained all the information and explanations that they have required; or

63. (11)–(17) Section 61 (11)–(17).

(*b*) the statements referred to in their report are not as shown by the books of the bank.

Submission of report to shareholders.

(14) The auditors' report shall be attached to the annual statement submitted by the directors to the shareholders at the annual general meeting.

Audit and report for shareholders.

(15) The auditors of the bank shall, if required by the shareholders, audit and report to the shareholders upon any statement submitted by the directors to the shareholders, and the report shall state whether, in their opinion, the statement presents fairly the information required by the shareholders.

Mailing of report.

(16) A report of the auditors made under subsection (15) shall be attached to the statement to which it relates and a copy of the statement and report shall be mailed by the directors to every shareholder at his recorded address and to the Minister.

Audit of controlled corporations.

(17) Where the bank carries on any of its operations in the name of a corporation controlled by the bank, the auditors of the bank shall be the auditors of the corporation and the bank shall take all necessary steps to ensure that they are appointed auditors of the corporation accordingly.

Reference in other Acts.

(18) A reference in any Act or any regulation or order thereunder to a list of auditors required to be furnished to the Minister under this Act or to any auditor on such list shall be construed as a reference to an auditor who has the qualifications specified in subsection (1).

INSPECTION.

Inspector General of Banks.

64. (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 to carry out section 65, to be the Inspector General of Banks.

Tenure of office.

(2) The Inspector shall be appointed to 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.

Tabling reasons.

(3) Where the Inspector is removed from office the order in council providing for the removal and documents relating thereto shall be laid before Parliament within fifteen days after the making of the order or, if Parliament is not then sitting, within the first fifteen days next thereafter that Parliament is sitting.

Services for compensation.

(4) The Inspector while holding office shall not perform any service for compensation other than the service rendered by him under section 65 unless he has first informed the Minister in writing of his intention to do so.

(18) Section 61(19).

64. Section 62.

(4) *New.*

Temporary Inspector.

(5) The Minister may direct some other competent person to perform temporarily the duties of the Inspector in the event that the Inspector by reason of absence, illness or other incapacity is unable to perform the duties of Inspector or in the event of a vacancy in the office of Inspector.

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 section 65.

Salaries.

(7) The Inspector shall be paid a salary fixed by the Governor in Council on the recommendation of the Minister, and the other persons appointed or employed under this section shall be paid such salary or remuneration as may be fixed by the Minister.

Officers of Finance Department.

(8) All persons appointed or employed under this section are officers of the Department of Finance, but the provisions of the *Public Service Employment Act* do not apply to them.

Borrowing from banks.

(9) No person appointed or employed under this section shall borrow money from a bank unless he has first informed the Minister in writing of his intention to do so.

Examination and inquiry into affairs of banks.

65. (1) 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 the 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 purposes of satisfying himself that the provisions of this Act having reference to the safety of the creditors and shareholders of the bank are being duly observed and that the bank is in a sound financial condition, and at the conclusion of each examination and inquiry shall report thereon to the Minister.

Report.

Verification of cash reserve returns.

(2) In addition to any report under subsection (1) the Inspector shall annually certify to the Minister and to the Governor of the Bank of Canada, whether in his opinion the returns that have been submitted by the banks under section 104 are correct.

Access to books and accounts, etc.

(3) The Inspector, or person acting under his direction, has a right of access to the books, minutes, accounts, cash, securities, documents and vouchers of the bank and any security held by the bank, and is entitled to require the directors, officers and auditors of the bank to furnish such information and explanations in such form as he may require.

65. Section 63.

Power of commissioner under *Inquiries Act*.

(4) The Inspector has all the powers conferred upon a commissioner appointed under Part II of the *Inquiries Act* for the purpose of obtaining evidence under oath, and may delegate such powers as occasion may require.

Expenses to be recouped from banks.

66. All salaries, remuneration and other expenses incidental to carrying out section 65 shall be paid out of such moneys as may be appropriated by Parliament therefor, 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 103, and such assessment shall be paid by the banks.

No liability under section 65.

67. Her Majesty is not liable to any creditor or shareholder of any bank, or to any other person, for any damages, payment, compensation or indemnity that he may suffer or claim

(*a*) by reason of section 65, anything therein contained, or anything done or omitted to be done under the requirements thereof, or

(*b*) by reason of any default, negligence, mistake, error or omission in the administration or discharge of the powers or duties that in any circumstances are by section 65 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 Her Majesty.

No grant or gratuity to be made to Inspector or his officers.

68. (1) The Inspector or any other person appointed or employed under section 64 shall not accept or receive, directly or indirectly, any grant or gratuity from a bank or from any director, officer or employee of a bank, and no bank and no director, officer or employee of a bank shall make or give any such grant or gratuity.

Secrecy.

(2) The Inspector or any other person appointed or employed under section 64 or any person to whom any powers are delegated under subsection (4) of section 65 shall not disclose to any other person, except the Minister, the Deputy Minister of Finance or the Governor of the Bank of Canada, or a representative of the latter if authorized by him in writing, any information regarding the business or affairs of a bank.

66. Section 64.

67. Section 65 in part.

68. Sections 66 and 67.

APPROPRIATIONS FOR LOSSES.

Report on excess appropriations.

69. (1) Where in the opinion of the Minister an amount set aside or reserved by the bank out of income, either by way of write-down of the value of assets or appropriation for the purpose of meeting losses on loans, bad or doubtful debts, depreciation in the value of assets other than bank premises or other contingencies, is in excess of the reasonable requirements of the bank, having regard to all the circumstances, the Minister shall notify the Minister of National Revenue of the amount so set aside and of the amount of such excess.

Discretion of directors not affected.

(2) Nothing in subsection (1) shall be construed to give the Minister any jurisdiction over the discretion of the directors of the bank with regard to amounts set aside, reserved or transferred to any reserve or other account from income upon which taxes have been assessed under any Act of the Parliament of Canada imposing a tax upon or in respect of income.

DIVIDENDS.

Declaration of dividends.

70. (1) Subject to this Act and the by-laws, the directors of the bank may declare a dividend of so much of the profits of the bank as they consider advisable, and shall fix the day for payment thereof.

Notice.

(2) The directors shall give public notice of the payment of a dividend published for at least four weeks prior to the day fixed for payment thereof.

Where payable.

(3) A dividend is due and payable on and after the day fixed for payment thereof at the head office of the bank and at such other places as the directors prescribe.

Closing of registers of transfers.

(4) The directors may close the registers of transfers for a period, not exceeding fifteen days, before the payment of a dividend.

Dividend not to impair capital.

71. (1) No dividend or bonus shall be declared

(*a*) while the paid-up capital of the bank is impaired, or

(*b*) if as a result thereof the paid-up capital of the bank would be impaired.

Directors liable for such dividend.

(2) The directors who knowingly and wilfully concur in the declaration or making payable of any dividend or bonus contrary to subsection (1) are jointly and severally liable for the amount of such dividend or bonus, as a debt due by them to the bank.

Limitation on dividend.

(3) No division of profits exceeding the rate of eight per cent per annum on the paid-up capital stock of the bank shall be made by the bank unless after making the division the bank has a rest account equal to at least thirty

69. Section 68.

70. Section 69.

71. Section 70.

per cent of its paid-up capital stock after making all necessary provisions for ascertained and estimated diminution in the value of assets.

Personal liability of directors.

(4) The directors who knowingly and wilfully concur in any division of profits contrary to subsection (3) are jointly and severally liable for the amount so divided, as a debt due by them to the bank.

CASH AND SECONDARY RESERVES.

Cash reserve.

72. (1) The bank shall maintain a cash reserve in the form of notes of, and deposits in Canadian currency with, the Bank of Canada, and such reserve shall be not less on the average during the first fifteen days of any month or on the average during the remaining days of the month than an amount equal to

(*a*) twelve per cent of such of its deposit liabilities as are payable on demand in Canadian currency; and

(*b*) four per cent of such of its deposit liabilities as are payable after notice in Canadian currency.

Cash reserve percentage.

(2) Notwithstanding subsection (1), upon the coming into force of this Act, the cash reserve percentage shall be

(*a*) eight per cent of the deposit liabilities referred to in paragraph (*a*) of subsection (1) for a period of two months and thereafter it shall be increased by one-half of one per cent in each month of the succeeding eight months; and

(*b*) eight per cent of the deposit liabilities referred to in paragraph (*b*) of subsection (1) for a period of two months and thereafter it shall be decreased by one-half of one per cent in each month of the succeeding eight months.

Secondary reserve.

(3) The bank, if so required by the Bank of Canada, shall maintain a secondary reserve, in addition to its cash reserve, in the form of

(*a*) notes of, and deposits in Canadian currency with, the Bank of Canada,

(*b*) treasury bills of Canada payable in Canadian currency and issued for a term of one year or less, or

(*c*) day loans to investment dealers with whom the Bank of Canada is prepared to enter into purchase and resale agreements payable on demand in Canadian currency and secured by assets that are eligible for security under such agreements,

and such reserve shall be not less on the average during any month than such percentage, as may be fixed under the

72. (1) Section 71(1) and new.

(2) *New.*

(3) *New.*

provisions of subsection (2) of section 18 of the *Bank of Canada Act*, of such of its deposit liabilities as are payable in Canadian currency.

Bank debentures.

(4) Bank debentures are not deposit liabilities.

Determining reserves.

(5) For the purpose of determining the amount of the reserves required to be maintained by a bank during any period mentioned in subsection (1) or any month mentioned in subsection (3)

(*a*) the amount of its deposit liabilities payable in Canadian currency shall be the average of such deposit liabilities at the close of business on Wednesday in each of the four consecutive weeks ending with the last Wednesday but one in the preceding month;

(*b*) the amount of Bank of Canada notes held by the bank shall be the average holdings of such notes at the close of business on Wednesday in each of the four consecutive weeks ending with the last Wednesday but one in the preceding month;

(*c*) the amount of its deposit with the Bank of Canada shall be the average amount of such deposit at the close of business on each juridical day of the period or the month, as the case may be;

(*d*) the amount of its treasury bills of Canada shall be the average amount of such treasury bills at the close of business on each juridical day of the month; and

(*e*) the amount of its day loans to investment dealers shall be the average amount of such day loans at the close of business on each juridical day of the month.

Assets against foreign liabilities.

(6) The bank shall maintain adequate and appropriate assets against liabilities payable in foreign currencies.

Notes.

Redemption of notes.

73. (1) Where the bank has issued its notes for circulation in a country outside Canada, it is liable to redeem them at par at any branch of the bank in that country and, except as provided in subsection (2), not elsewhere.

Idem.

(2) Where the bank has issued its notes for circulation in a country outside Canada and ceases to have a branch in that country without making arrangements for the redemption in that country of the notes, the bank is liable to redeem them at the head office of the bank in Canadian currency at a rate of exchange to be established for the purpose by the Minister.

(4) *New.*

72. (5) (*d*) and (*e*) *New.*

73. (1) (2) (3) Section 72.

Idem.

(3) Where the bank has issued its notes for circulation in a country outside Canada, and under the laws in force in that country the bank is permitted or required to redeem the notes by a payment to a designated authority in that country, such a payment, if approved by the Minister, discharges the liability of the bank in respect of the notes.

Idem.

(4) Notwithstanding any other Act, the Bank of Canada is liable to redeem the notes of each bank specified in Schedule R issued for circulation in Canada upon presentation thereof at the head office of the Bank of Canada.

Destruction of Old Records.

Destruction of records.

74. (1) Except as provided in subsection (4) of section 94, the bank may destroy books, records, documents, vouchers, paid instruments and papers in its possession where they are dated or were in existence or contain entries or writings made, more than fifteen years prior to the destruction.

Evidence.

(2) Except as provided in subsection (3), in any action or proceeding the liability of the bank shall be determined by reference only to evidence of matters that have arisen or things that have occurred, including books and records or the portions thereof, and documents, vouchers, paid instruments and papers that are dated or came into existence, or that contain entries or writings made, during the period of fifteen years immediately preceding the commencement of the action or proceeding.

Idem.

(3) In any action or proceeding to establish the ownership of shares of capital stock of the bank, such ownership shall be determined by reference only to evidence of matters that have arisen or things that have occurred, including books and records, or the portions thereof, and documents, vouchers, paid instruments and papers that are dated or came into existence or that contain entries or writings made during the period of fifteen years immediately preceding the commencement of the action or proceeding, excepting the register of shareholders of the bank.

Statute of limitations.

(4) Nothing in subsection (1), (2) or (3) affects the operation of any statute of limitation or prescription or the right of the bank to destroy any books, records, documents, vouchers, paid instruments or papers not specified in subsection (4) of section 94 or relieves the bank from any liability to the Bank of Canada in respect of any debt or instrument to which subsection (1) of section 94 applies.

(4) Section 73.

74. Section 74.

Business and Powers of Bank.

General.

Business and powers of bank.

75. (1) The bank may

(*a*) open branches;

(*b*) acquire, deal in, discount and lend money and make advances upon the security of, and take as security for any loan or advance made by the bank or any debt or liability to the bank, bills of exchange, promissory notes and other negotiable instruments, gold and silver coin and bullion and securities;

(*c*) subject to subsection (3), lend money and make advances upon the security of, and take as security for any loan or advance made by the bank or any debt or liability to the bank, any real or personal, immovable or movable property, except shares of the capital stock of the bank on which the bank has a privileged lien under subsection (1) of section 83, but no such security is effective in respect of any personal or movable property that at the time the security is taken is, by any statutory law that was in force on the first day of July, 1923, exempt from seizure under writs of execution;

(*d*) lend money and make advances without security; and

(*e*) engage in and carry on such business generally as appertains to the business of banking.

Prohibitions.

(2) Except as authorized by or under this Act, the bank shall not, directly or indirectly,

(*a*) issue or re-issue notes of the bank payable to bearer on demand and intended for circulation;

(*b*) deal in goods, wares and merchandise or engage in any trade or business;

(*c*) acquire, deal in or lend money or make advances upon the security of shares of the capital stock of the bank or any other bank;

(*d*) lend money or make advances to or on the guarantee of the general manager or any officer or employee subordinate to the general manager

(i) without the consent of the directors, if the principal amount outstanding of loans and advances made to and guaranteed by him, together with the proposed loan or advance, exceeds five thousand dollars, or

(ii) if the principal amount outstanding of loans and advances made to and guaranteed by him, together with the proposed loan or advance, exceeds twenty-five thousand dollars;

75. Section 75.

(*c*) partially new but see section 83 (1).

(*e*) lend money or make advances in a principal amount exceeding five per cent of its paid-up capital to a director of the bank or to any firm or corporation of which a director or the general manager of the bank is a member or shareholder without the consent of two-thirds of the directors present at a regular meeting of the board or a meeting of the board specially called for the purpose;

(*f*) except with the consent of the Minister, contribute to any guarantee or pension fund if any part of the fund has, at any time after the coming into force of this Act, been invested in shares of the capital stock of a bank; or

(*g*) at any time after the 31st day of December, 1967, have outstanding total liabilities (including paid-up capital, rest account and undivided profits) exceeding twenty times its authorized capital stock if more than twenty-five per cent of its issued shares are held by any one resident or non-resident shareholder and his associates as described in section 56.

Limit on single mortgages.

(3) Where the bank lends money or makes an advance upon the security of real or immovable property in Canada, including an assignment of or mortgage on the interest of a lessee of real or immovable property, the amount of the loan or advance shall not be more than seventy-five per cent of the value of such property or interest at the time the loan or advance is made, less the amount then outstanding of any mortgage or hypothec having an equal or prior claim against such property or interest, but this subsection does not apply in respect of

(*a*) a loan or advance made or guaranteed under the *National Housing Act, 1954*, or any other Act by or pursuant to which a different limit on the value of property on the security of which the bank may lend money or make advances is prescribed; or

(*b*) the acquisition by the bank from a corporation of securities issued or guaranteed by the corporation that are secured on any property, whether in favour of a trustee or otherwise, or the making of a loan or advance by the bank to the corporation against the issue of such securities.

Limit on total residential mortgages.

(4) The total principal amount outstanding, on the expiration of any financial year of the bank, of all loans and advances that are made by the bank on the security of real or immovable property in Canada used for residential purposes, other than loans and advances made or guaranteed under the *National Housing Act, 1954*, or any Act other than this Act, shall not exceed the lesser of

(*g*) *New.*

(3) *New.*

(4) *New.*

(*a*) an amount equal to ten per cent of the total at that time of the deposit liabilities of the bank payable in Canadian currency and its outstanding bank debentures; or

(*b*) the amount obtained by

(i) multiplying the total at that time of the deposit liabilities of the bank payable in Canadian currency and its outstanding bank debentures by the figure derived

(A) in the case of a bank incorporated before the coming into force of this Act, by adding to two the number of financial years of the bank completed after the 31st day of October, 1965, or

(B) in the case of a bank incorporated after the coming into force of this Act, by adding to two the number of financial years of the bank completed after the bank has been permitted under section 13 to commence business, and

(ii) dividing the product obtained by one hundred.

Loans to directors.

(5) A director of the bank shall not be present or vote at a meeting of the board during the time at the meeting when a loan or advance to himself or a firm of which he is a member or a corporation of which he is a director is under consideration, unless the loan or advance is to a bank service corporation as defined in subsection (8) of section 76 or to a corporation controlled by the bank, all the issued and outstanding capital stock of which, except the qualifying shares of directors, is owned by the bank.

Not to act as agent for insurance company.

(6) No officer or employee of the bank shall act as agent for any insurance company or for any person in the placing of insurance, nor shall the bank exercise pressure upon a borrower to place insurance for the security of the bank in any particular insurance agency, but nothing in this subsection precludes the bank from requiring such insurance to be placed with an insurance company approved by it.

Ownership of corporate stock.

76. (1) Except as provided in this section, the bank shall not own shares of the capital stock of a Canadian corporation in any number that would, under the voting rights attached to the shares owned by the bank, permit the bank to vote more than ten per cent of the total votes that could, under the voting rights attached to all the shares of the corporation issued and outstanding, be voted by the holders thereof; and any such shares in excess of the maximum number prescribed by this subsection, owned by the

75. (5) (6) Section 75 (3) (4).

76. *New.*

bank at the coming into force of this Act, shall be sold or disposed of before the first day of July, 1971.

Shares of non-Canadian corporation.

(2) Except as provided in this section, the bank shall not own shares of the capital stock of a corporation incorporated outside Canada in any number that would, under the voting rights attached to the shares owned by the bank, permit the bank to vote more than ten per cent of the total votes that could, under the voting rights attached to all the shares of the corporation issued and outstanding, be voted by the holders thereof, if the corporation incorporated outside Canada owns shares of the capital stock of a Canadian corporation and the total number of such shares of the Canadian corporation owned by the bank and by the corporation incorporated outside Canada is in excess of the maximum number that the bank alone may own under subsection (1).

Shares acquiring voting rights.

(3) The bank may own shares in excess of the maximum number prescribed by this section, if the shares acquire voting rights after the acquisition of the shares by the bank, but the bank shall sell or otherwise dispose of such excess shares within a period of two years from the day on which the shares acquired such voting rights.

Disposal of excess.

(4) The bank may acquire shares in excess of the maximum number prescribed by this section, but shall sell or dispose of such excess shares within a period of two years from the day on which they were acquired.

Extension of time.

(5) The Minister may extend the time for the sale or disposal of any shares under this section for a further period or periods not exceeding two years in the aggregate.

Exception.

(6) Nothing in this section shall be construed to prohibit or limit the ownership by the bank of shares acquired through a realization of security for any loan or advance made by the bank or any debt or liability to the bank.

Exception.

(7) This section does not apply in respect of shares of the capital stock of a bank service corporation or the Export Finance Corporation of Canada Ltd.

Definitions. "Bank service corporation."

(8) In this section,

(*a*) "bank service corporation"

(i) means

(A) a corporation owning or leasing real or immovable property held for the actual use and occupation of the bank and the management of its business,

(B) a corporation owning shares of the capital stock of a corporation referred to in clause (A),

(C) a corporation engaging in the business of providing a service incidental or ancillary to, or used in the carrying

on of, the business of the bank or of a corporation referred to in clause (A) or (B), and

(D) a corporation owning shares of the capital stock of a corporation referred to in clause (C),

if the corporation does not engage in any activity that is not incidental or ancillary to any of the activities mentioned in clauses (A) to (D); and

(ii) includes a corporation owning or leasing real or immovable property adjoining and having a common boundary with real or immovable property held by the bank or for the bank by a corporation referred to in clause (A) of subparagraph (i) if

(A) any buildings situated or to be constructed in or on the adjoining real or immovable property are or will be provided with services that are common to them and any buildings situated or to be constructed in or on the property of the corporation, and

(B) the corporation does not engage in any activity that is not incidental or ancillary to the ownership or use of the said property or to any of the activities mentioned in clauses (A) to (D) of subparagraph (i); and

"Canadian corporation."

(*b*) "Canadian corporation" means a corporation incorporated under the laws of Canada or a province.

Bank Debentures.

"Bank debentures."

77. (1) In this Act "bank debentures" means instruments evidencing unsecured indebtedness of the bank payable in Canadian currency and issued in accordance with this section.

Borrowing by debentures.

(2) Subject to this section, the bank may in any financial year of the bank commencing after the 31st day of October, 1966, borrow money by the issue of bank debentures.

Terms of debentures.

(3) Bank debentures shall have a stated maturity of at least five years after their date and the debentures or any document under which they are issued shall contain provisions to the following effect:

(*a*) the bank debentures will not be called for redemption by the bank before a date at least five years after the date of the debentures;

77. *New.*

(*b*) the indebtedness evidenced by the bank debentures will not be paid by the bank during the five years following the date of the debentures; and

(*c*) in the event of the insolvency or winding-up of the bank, the indebtedness evidenced by the bank debentures is subordinate in right of payment to the prior payment in full of the deposit liabilities of the bank and such other liabilities of the bank as may be mentioned in the debentures or in any document under which such debentures are issued.

Not security for loan.

(4) The bank shall not make a loan or advance on the security of any of its bank debentures except to a person engaged in their distribution and then not for a term of more than ninety days from the date of their issue by the bank.

Issue date.

(5) The bank shall not issue bank debentures dated more than sixty days before the date of the issue of the debentures.

Limit on bank debentures.

(6) The principal amount of its bank debentures outstanding on the expiration of any financial year of the bank shall not exceed the lesser of

(*a*) an amount equal to one-half of the total at that time of the paid-up capital stock and rest account of the bank; or

(*b*) the amount obtained by multiplying the total at that time of the paid-up capital stock and rest account of the bank by the number of financial years of the bank completed after the 31st day of October, 1966, and dividing the product obtained by ten.

Security.

Securities may be sold.

78. Securities acquired and held by the bank as security may, in case of default in the payment of the loan, advance or debt or in the discharge of the liability for the securing of which they were so acquired and held, be dealt with, sold and conveyed,

(*a*) in like manner and subject to the same restrictions as are provided in this Act in respect of shares of the capital stock of the bank on which it has acquired a lien under this Act, or

(*b*) 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,

78. Section 77.

but the bank is not obliged to sell within twelve months, and the right to deal with and dispose of securities as provided in this section may be waived or varied by any agreement between the bank and the person by whom the security was given.

Rights in respect of personal property.

79. The rights, powers and privileges that the bank is by this Act declared to have, or to have had, in respect of real or immovable property on which it has taken security, shall be held and possessed by it in respect of any personal or movable property on which it has taken security.

Purchases of realty.

80. The bank may purchase any 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

(*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 property is situated,

in cases in which, under similar circumstances, an individual could so purchase, without any restriction as to the value of the property that it may so purchase, and may acquire title thereto as any individual, purchasing at a 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.

Bank may acquire absolute title.

81. (1) The bank may acquire and hold an absolute title in or to real or immovable property affected by a mortgage or hypothec securing a loan or advance made by the bank or a debt or liability to the bank, 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 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 mortgaged or hypothecated real or immovable property, whatever the value thereof, or from exercising or acting upon any power of sale contained in any mortgage given to or held by the bank, authorizing or enabling it to sell or convey any property so mortgaged.

79. Section 78 (2).

80. Section 79.

81. Section 80.

Loans on Hydrocarbons.

Loans on hydrocarbons

82. (1) The bank may lend money and make advances upon the security of any or all of the following:

(*a*) hydrocarbons in, under or upon the ground, in place or in storage;

(*b*) the rights, licences or permits of any person to obtain and remove any of such hydrocarbons and to enter upon, occupy and use lands from or on which any of such hydrocarbons are or may be produced;

(*c*) the estate or interest of any person in or to any such hydrocarbons, rights, licences, permits and lands whether such estate or interest is entire or partial; and

(*d*) the casing and equipment used or to be used in producing or seeking to produce and storing any such hydrocarbons;

or of any rights or interests in or to any of the foregoing whether the security be taken from the borrower or from a guarantor of the liability of the borrower or from any other person.

Security

(2) Security under this section may be given by signature and delivery to the bank by or on behalf of the person giving the security of an instrument in the form set out in Schedule L or in a form to the like effect, and shall affect the property described in the instrument giving the security

(*a*) of which the person giving the security is the owner at the time of the delivery of such instrument, or

(*b*) of which such person becomes the owner at any time thereafter before the release of the security by the bank, whether or not such property is in existence at the time of such delivery,

all of which property is for the purposes of this Act property covered by the security.

Rights under security

(3) Any security given under this section vests in the bank, in addition to and without limitation of any other rights or powers vested in or conferred on it, full power, right and authority, through its officers, employees or agents, in the event of

(*a*) non-payment of any loan or advance as security for the payment of which the bank has taken the security, or

(*b*) failure to care for, maintain, protect or preserve the property covered by the security,

to do all or any of the following, namely, take possession of, seize, care for, maintain, use, operate and sell the property

82. Section 82.

covered by the security or part thereof as it sees fit, returning to the person entitled thereto any surplus proceeds of any such operation or sale remaining after payment of all such loans and advances, with interest and expenses; a sale of any of the property by the bank vests in the purchaser all the right and title in and to such property that the person giving the security had when the security was given and that he acquired thereafter; unless the person by whom the security was given has agreed otherwise any such sale shall be made by public auction after

(*c*) notice of the time and place of the sale has been sent by registered mail to the recorded address of the person by whom the security was given at least ten days prior to the sale, and

(*d*) publication of an advertisement of the sale, at least two days prior to the sale, in at least two newspapers published in or nearest to the place where the sale is to be made; and if the sale is in the Province of Quebec at least one of such newspapers shall be a newspaper published in the English language and one other newspaper shall be a newspaper published in the French language.

Priority of bank's rights

(4) Subject to subsection (5), all the rights and powers of the bank in respect of the property covered by security given under this section have priority over all rights subsequently acquired in, on or in respect of such property and also over the claim of any mechanics' lien holder or of any unpaid vendor of casing or equipment, but such priority does not extend over the claim of any unpaid vendor who had a lien upon the casing or equipment at the time of the acquisition by the bank of such security, unless the same was acquired without knowledge on the part of the bank of such lien.

Idem.

(5) The rights and powers of the bank do not have priority over an interest or right acquired in, on or in respect of the property covered by security given under this section unless, prior to

(*a*) the registration of such interest or right, or

(*b*) the registration or filing of the deed or other instrument evidencing such interest or right, or of a caution, caveat or memorial in respect thereof,

there has been registered or filed in the proper land registry or land titles office or office in which are recorded the rights, licences or permits referred to in this section,

(*c*) an original of the instrument giving the security,

(*d*) a copy of the instrument giving the security, certified by an officer or employee of the bank to be a true copy, or

(*e*) a caution, caveat or memorial in respect of the rights of the bank;

and every registrar or officer in charge of such proper land registry or land titles or other office to whom a document mentioned in paragraph (*c*), (*d*) or (*e*) is tendered, shall register or file the same according to the ordinary procedure for registering or filing within such office documents that evidence liens or charges against, or cautions, caveats or memorials in respect of claims to, interests in or rights in respect of any such property and subject to payment of the like fees; but this subsection does not apply if the provincial law does not permit such registration or filing of the tendered document.

Further security.

(6) When making a loan or advance on the security provided for by this section, the bank may take, on any property covered by such security, any further security it sees fit.

Substitution of security.

(7) Notwithstanding anything in this Act, where the bank holds any security whatever covering hydrocarbons, it may take in lieu of such security, to the extent of the quantity covered by the security taken, any security covering or entitling it to the delivery of the same hydrocarbons or hydrocarbons of the same or a similar grade or kind.

Lien on Shares.

Lien on bank shares.

83. (1) Unless under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, the bank has 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 dividends payable to 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 a debt has accrued and become payable, sell the shares on which it has a lien therefor, but notice shall be given to the holder of the shares of the intention of the bank to sell them, by mailing the notice to the holder at his recorded address 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 a register of transfers of the bank.

83. Section 76.

Effect of transfer.

(4) A transfer under this section vests in the purchaser all the rights in or to the shares that 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.

Real Property.

Acquisition of real property.

84. (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.

Disposition.

(2) The bank may hold real or immovable property

(*a*) in the case of property acquired or held for its own use, for a period of seven years from the day on which it ceases to be required for its own use, as determined by the directors, and

(*b*) in the case of other property, for a period of twelve years from the day on which it acquired the property,

and forthwith after the expiry of that period the bank shall sell or otherwise dispose of the property absolutely so that the bank no longer has, directly or indirectly, any interest or control in respect thereof except by way of security.

Forfeiture.

(3) Where the bank fails to dispose of property in accordance with subsection (2), the Attorney General of Canada may, upon such notice as a judge of the Exchequer Court of Canada may order, apply to a judge of that Court for an order declaring the property to be forfeited to Her Majesty in right of Canada, and the judge may, if he is satisfied that the bank has not disposed of the property in accordance with subsection (2), declare the property forfeited to Her Majesty, except that

(*a*) the property shall not be vested in Her Majesty before the expiry of six calendar months from the day on which notice of the application was given to the bank in accordance with the order of the judge, and

(*b*) the bank may, at any time before the property vests in Her Majesty, sell or otherwise dispose of it as required by subsection (2) as if no application, order or declaration had been made.

84. Section 81.

Other Loans and Advances.

Loans to receiver, liquidator, etc.

85. The bank may lend money and make advances 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*, if the receiver, receiver and manager, liquidator, custodian, interim receiver or trustee has been duly authorized or empowered to borrow, and, in making the loan or advance, and thereafter, the bank may take security, with or without personal liability, from the receiver, receiver and manager, liquidator, custodian, interim receiver or trustee to such an amount, and upon such property as may be directed or authorized by any court of competent jurisdiction.

Warehouse receipts and bills of lading.

86. (1) The bank may acquire and hold any warehouse receipt or bill of lading as 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 acquired under subsection (1) vests in the bank, from the date of the acquisition thereof,

(*a*) all the right and title to the warehouse receipt or bill of lading and to the goods, wares and merchandise covered thereby of the previous holder or owner thereof, and

(*b*) all the right and title to the goods, wares and merchandise mentioned therein of the person from whom the 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 the goods, wares and merchandise.

When previous holder is an agent.

87. (1) Where the previous holder of a warehouse receipt or bill of lading referred to in section 86 is a person

(*a*) entrusted with the possession of the goods, wares and merchandise mentioned therein, by or by the authority of the owner thereof,

(*b*) to whom the 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 the goods, wares and merchandise, is possessed of any bill of lading, receipt, order or other docu-

85. Section 84.

86. Section 86.

87. Section 87.

ment 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,

Presumption of possession.

the bank is, upon the acquisition of such warehouse receipt or bill of lading, vested with all the right and title of the owner of the 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 the warehouse receipt or bill of lading is held by the bank, is paid.

Possessor.

(2) For the purposes of this section, a person shall be deemed to be the possessor of goods, wares and merchandise, or a bill of lading, receipt, order or other document

(*a*) who is in actual possession thereof; or

(*b*) for whom, or subject to whose control the goods, wares and merchandise are, or bill of lading, receipt, order or other document is, held by any other person.

Loans to certain borrowers and security.

88. (1) The bank may lend money and make advances

(*a*) to any wholesale purchaser or shipper of, or dealer in, products of agriculture, products of the forest, products of the quarry and mine, or products of the sea, lakes and rivers, upon the security of such products and of goods, wares and merchandise used in or procured for the packing of such products;

(*b*) to any person engaged in business as a manufacturer, upon the security of goods, wares and merchandise manufactured or produced by him or procured for such manufacture or production and of goods, wares and merchandise used in or procured for the packing of goods, wares and merchandise so manufactured or produced;

(*c*) to any farmer, upon the security of crops growing or produced upon the farm;

(*d*) to any farmer

(i) for the purchase of seed grain or seed potatoes, upon the security of the seed grain or the seed potatoes and any crop to be grown therefrom,

88. Section 88.

(ii) for the purchase of fertilizer, upon the security of the fertilizer and any crop to be grown from land on which, in the same season, the fertilizer is to be used, and

(iii) for the purchase of binder twine, upon the security of the binder twine and the crop in the harvesting of which the binder twine is to be used;

(*e*) to any farmer or to any person engaged in live stock raising, upon the security of live stock, but the security taken under this paragraph is not effective in respect of any live stock that at the time the security is taken is, by any statutory law that was in force on the first day of July, 1923, exempt from seizure under writs of execution;

(*f*) to any farmer for the purchase of agricultural implements, upon the security of such agricultural implements;

(*g*) to any farmer for the purchase or installation of agricultural equipment or a farm electric system, upon the security of such agricultural equipment or farm electric system;

(*h*) to any farmer for

(i) the repair of an agricultural implement or of agricultural equipment,

(ii) the alteration or improvement of a farm electric system,

(iii) the erection or construction of fencing or works for drainage on a farm,

(iv) the construction, repair or alteration of, or making of additions to, any building or structure on a farm, and

(v) any works for the improvement or development of a farm for which a farm improvement loan as defined in the *Farm Improvement Loans Act* may be made,

upon the security of agricultural implements, but security taken under this paragraph is not effective in respect of any agricultural implements that at the time the security is taken are, by any statutory law that was in force on the first day of September, 1944, exempt from seizure under writs of execution; and

(*i*) to any fisherman, upon the security of fishing vessels, fishing equipment and supplies or products of the sea, lakes and rivers, but security taken under this paragraph is not effective in respect of any such property that at the time the security is taken is, by any statutory

22804—9

law that was in force on the first day of September, 1944, exempt from seizure under writs of execution;

and the security may be given by signature and delivery to the bank by or on behalf of the person giving the security of a document in the form set out in the appropriate Schedule or in a form to the like effect.

Rights and powers vested by delivery of document.

(2) Delivery of a document giving the security upon property to a bank under the authority of this section vests in the bank in respect of property therein described

(*a*) of which the person giving security is the owner at the time of the delivery of such document, or

(*b*) of which such person becomes the owner at any time thereafter before the release of the security by the bank, whether or not such property is in existence at the time of such delivery,

the following rights and powers, namely:

(*c*) if such property is property on which security is given under paragraph (*a*), (*b*), (*e*), (*h*) or (*i*) of subsection (1), the same rights and powers as if the bank had acquired a warehouse receipt or bill of lading in which such property was described; or

(*d*) if such property is property on which security is given under paragraph (*c*), (*d*), (*f*) or (*g*) of subsection (1), a first and preferential lien and claim thereon for the sum secured and interest thereon, and as regards a crop as well before as after the severance from the soil, harvesting or threshing thereof, and, in addition thereto, the same rights and powers in respect of such property as if the bank had acquired a warehouse receipt or bill of lading in which the property was described; and all rights and powers of the bank subsist notwithstanding that such property is affixed to real or immovable property and notwithstanding that the person giving the security is not the owner of such real or immovable property;

and all such property in respect of which such rights and powers are vested in the bank under this section is for the purposes of this Act property covered by the security.

Power of the bank to take possession, etc.

(3) Where security upon any property is given to the bank under paragraph (*c*), (*d*), (*e*), (*f*), (*g*), (*h*) or (*i*) of subsection (1), the bank, in addition to and without limitation of any other rights or powers vested in or conferred on it, has full power, right and authority, through its officers, employees or agents, in case of

(*a*) non-payment of any of the loans or advances for which such security was given,

(*b*) failure to care for or harvest any crop or to care for any live stock covered by the security,

(*c*) failure to care for any property on which security is given under paragraph (*f*), (*g*), (*h*) or (*i*) of subsection (1),

(*d*) any attempt, without the consent of the bank, to dispose of any property covered by the security, or

(*e*) seizure of any property covered by the security,

to take possession of or seize the property covered by the security, and in the case of a crop to care for it and harvest it or thresh the grain therefrom, and in the case of live stock to care for it, and has the right and authority to enter upon land or premises whenever necessary for any such purpose and to detach and remove such property, exclusive of wiring, conduits or piping incorporated in a building, from any real or immovable property to which it is affixed.

Notice of intention.

(4) The following provisions apply where security upon property is given to the bank under this section:

Registration.

(*a*) the rights and powers of the bank in respect of property covered by the security are null and void as against creditors of the person giving the security and as against subsequent purchasers or mortgagees in good faith of the property covered by the security unless a notice of intention signed by or on behalf of the person giving the security was registered in the appropriate agency not more than three years immediately before the security was given;

Notices to be numbered.

(*b*) the agent shall number consecutively every notice of intention received by him and shall endorse thereon the number and the hour and date of its receipt 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;

Number, hour and date of registration.

(*c*) the agent shall endorse over his signature or a facsimile thereof on a copy of the notice of intention to be supplied by the bank, for the records of the bank, the number and the hour and date of receipt, and the production of the copy with such endorsement is conclusive evidence in all courts of the registration and of the time of registration as thereon endorsed;

Cancellation.

(*d*) registration of a notice of intention may be cancelled by registration in the appropriate agency in which the notice of intention was registered of a certificate of release signed on behalf of the bank named in the notice of intention and bearing the number and date endorsed thereon, stating that each and every security to which the notice of intention relates has been released or that no security was given to the bank, as the case may be;

Number, hour and date of cancellation.

(*e*) the agent 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, whereupon the registration of the notice of intention in respect of which such certificate was given shall be deemed to be cancelled and the agent shall cancel it, and after the cancellation the notice of intention is without effect as regards any security given to the bank thereafter and may be destroyed by the agent; after five years have elapsed from the receipt of a certificate of release, the agent may destroy it;

Transcription of registration.

(*f*) the agent may transcribe the registration of any notice of intention onto another page of the registration book, whereupon the transcription shall take the place of the entry so transcribed, and the agent may destroy any pages on which all the entries have been cancelled or transcribed in accordance with this subsection;

Access to registration book.

(*g*) every person, upon payment of the proper fees, is entitled to have access to and to inspect any registration book, notice of intention or certificate of release kept by or in the custody of the agent;

Fees.

(*h*) for services under this section the agent is entitled to a fee of twenty-five cents for each of the following, namely:

(i) the registration of a notice of intention with endorsement of copy;

(ii) the production of a registration book for inspection;

(iii) the production of a notice of intention for inspection; and

(iv) the registration of a certificate of release;

Inquiries.

(*i*) any person desiring to ascertain whether a notice of intention given by a person remains registered in an agency may inquire by sending a prepaid telegram or written communication

addressed to the agent, and it is the duty of the agent, in the case of a written inquiry if it is accompanied by a fee of fifty cents, and in the case of an inquiry by telegram without payment of any fee, to make the necessary inspection of the registration books and of the relevant documents, if any, and to reply to the inquirer stating the name of the bank mentioned in any such notice of intention, the reply to be by mail unless a telegraphic reply is requested, in which case it shall be sent at the expense of the inquirer;

Annual notice of registrations.

(*j*) the bank shall annually, during the month of March, send by registered post to each agency a statement showing the notices of intention to give security to the bank registered in the agency more than five years before the end of the preceding December in connection with which security was given to the bank and is still in effect or stating that there are no such notices of intention; the statement shall show the name of the person who gave each such notice of intention and the number and date of its registration; on receipt of the statement, the agent shall cancel the registrations of all notices of intention to give security to the bank registered in the agency more than five years before the end of the preceding December and not shown in such a statement, and thereafter the registrations of such notices of intention are without effect and the agent may destroy all such notices of intention; and

Definitions.

(*k*) in this subsection,

"Agency."

(i) "agency" means, in a province, the office of the Bank of Canada or its authorized representative but does not include its Ottawa office, and in the Yukon Territory and the Northwest Territories means the office of the Clerk of the Court of each of those territories respectively,

"Agent."

(ii) "agent" means the officer in charge of the office mentioned in subparagraph (i), and includes any person acting for such officer,

"Appropriate agency."

(iii) "appropriate agency" means the agency for the province or territory in which the person by whom or on whose behalf a notice of intention is signed has his place of business or if such person has more than one place of business in Canada and such places of business are not in the same province or territory, the agency for the

province or territory in which such person has his principal place of business or if such person has no place of business, the agency for the province or territory in which such person resides; and in respect of any notice of intention registered before the coming into force of this Act, means the office in which registration was required to be made by the law in force at the time of such registration,

"Notice of intention."

(iv) "notice of intention" means a notice of intention in the form set out in Schedule K or in a form to the like effect, and includes a notice of intention registered before the coming into force of this Act, in the form and registered in the manner required by the law in force at the time of the registration of such notice of intention, and

"Principal place of business."

(v) "principal place of business" means, in the case of a company incorporated by or under the authority of any Act of the Parliament of Canada, or by or under the authority of any Act of the late Province of Canada, or by or under the authority of any province or any territory now forming part of Canada, the place where, according to the company's charter, memorandum of association or by-laws, the head office of the company in Canada is situated and in the case of any other company means the place at which civil process in the province or territory in which the loans or advances will be made can be served upon the company.

Priority of wages and money owing for perishable agricultural products.

(5) Notwithstanding subsection (2) and notwithstanding that a notice of intention has been registered pursuant to this section by a person giving security upon property under this section, where under the *Bankruptcy Act* a receiving order is made against, or an assignment is made by, such person,

(*a*) claims for wages, salaries or other remuneration owing in respect of the period of three months next preceding the making of such order or assignment, to employees of such person employed in connection with the business or farm in respect of which the property covered by the security was held or acquired by such person, and

(*b*) claims not exceeding five thousand dollars in any one case for money owing by a manufacturer to a grower of perishable products of

(5) (*b*) *New.*

agriculture that are direct products of the soil, for such products grown by the grower on land owned or leased by him and delivered to the manufacturer during the said period of three months,

have priority to the rights of the bank in a security given to the bank under this section, in the order in which they are mentioned herein, and if the bank takes possession or in any way disposes of the property covered by the security, the bank is liable for such claims to the extent of the net amount realized on the disposition of such property, after deducting the cost of realization, and the bank is subrogated in and to all the rights of the claimants to the extent of the amounts paid to them by the bank.

Priority of bank's claim.

89. (1) All the rights and powers of the bank in respect of the property mentioned in or covered by a warehouse receipt or bill of lading acquired and held by the bank, and those rights and powers of the bank in respect of the property covered by a security given to the bank under section 88 that are the same as if the bank had acquired a warehouse receipt or bill of lading in which such property was described, have, subject to the provisions of subsection (4) of section 88 and of subsections (2) and (3) of this section, priority over all rights subsequently acquired in, on or in respect of such property, and also over the claim of any unpaid vendor, but such priority does not extend over the claim of any unpaid vendor who had a lien upon the property 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, and where security is given upon property under paragraph (*g*) of subsection (1) of section 88, such priority shall exist notwithstanding that such property is or becomes affixed to real or immovable property.

Bank required to register against land in certain cases.

(2) Where security has been given to the bank under paragraph (*g*) of subsection (1) of section 88 upon property that is or has become affixed to real or immovable property, the rights and powers of the bank do not have priority over an interest or right acquired in, on or in respect of the real or immovable property after such property has become affixed thereto unless, prior to

(*a*) the registration of such interest or right, or

(*b*) the registration or filing of the deed or other instrument evidencing such interest or right, or of a caution, caveat or memorial in respect thereof,

there has been registered or filed in the proper land registry or land titles office,

(*c*) an original of the document giving the security,

89. Section 89.

(*d*) a copy of the document giving the security, certified by an officer or employee of the bank to be a true copy, or

(*e*) a caution, caveat or memorial in respect of the rights of the bank;

and every registrar or officer in charge of such proper land registry or land titles office to whom a document mentioned in paragraph (*c*), (*d*) or (*e*) is tendered, shall register or file the same according to the ordinary procedure for registering or filing within such office documents that evidence liens or charges against, or cautions, caveats or memorials in respect of claims to, interests in or rights in respect of real or immovable property and subject to payment of the like fees; but this subsection does not apply if the provincial law does not permit such registration or filing of the tendered document.

Security on fishing vessels.

(3) Where security has been given to the bank under paragraph (*i*) of subsection (1) of section 88, upon a fishing vessel that is recorded or registered under the *Canada Shipping Act*, the rights and powers of the bank do not have priority over any rights that are subsequently acquired in the vessel and are recorded or registered under that Act, unless a copy of the document giving the security, certified by an officer of the bank to be a true copy, has been recorded or registered under that Act in respect of the vessel before the recording or registration thereunder of such rights, and a copy of the document giving such security certified by an officer of the bank may be recorded or registered under that Act as if it were a mortgage given thereunder, and upon the recording or registration thereof the bank, in addition to and without limitation of any other rights or powers vested in or conferred on it, has all the rights and powers in respect of the vessel that it would have if the security were a mortgage recorded or registered under that Act.

Sale of goods on non-payment of debt.

(4) In the event of non-payment of any debt, liability, loan or advance, as security for the payment of which the bank has acquired and holds a warehouse receipt or bill of lading or has taken any security under section 88, the bank may sell all or any part of the property mentioned therein or covered thereby and apply the proceeds against such debt, liability, loan or advance, with interest and expenses, returning the surplus, if any, to the person by whom such security was given; but such power of sale shall, unless such person has agreed to sale thereof otherwise than as herein provided, be exercised subject to the following provisions, namely:

Conditions of sale of property other than live stock.

(*a*) every sale of such property other than live stock shall be by public auction after

(i) notice of the time and place of the sale has been sent by registered mail to the recorded address of the person by whom the

security was given, at least ten days prior to the sale in the case of any such property other than products of the forest, and at least thirty days prior to the sale in the case of any such property consisting of products of the forest, and

(ii) publication of an advertisement of the sale, at least two days prior to such sale, 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 at least one of such newspapers shall be a newspaper published in the English language and one other newspaper shall be a newspaper published in the French language;

Conditions of sale of live stock.

(*b*) every sale of live stock shall be made by public auction not less than five days after

(i) publication of an advertisement of the time and place of the sale in a newspaper, or in the Province of Quebec in two newspapers, one in the English language and one in the French language, published in or nearest to the place where the sale is to be made, and

(ii) posting of a notice in writing, which notice shall, in the Province of Quebec, be in the English and the French languages, 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;

and the proceeds of such a sale of live stock, after deducting all expenses incurred by the bank and all expenses of seizure and sale, shall first be applied to satisfy privileges, liens or pledges having priority over the security given to the bank and for which claims have been filed with the person making the sale, and the balance shall be applied in payment of the debt, liability, loan or advance, with interest and the surplus, if any, returned to the person by whom such security was given;

any sale of property by the bank under this subsection vests in the purchaser all the right and title in and to the property that the person from whom security was taken under section 86 had when the security was given or that the person from whom security was taken under section 88 had when the security was given and that he acquired thereafter.

22804—10

Goods manufactured from articles pledged.

(5) Where goods, wares and merchandise are manufactured or produced from goods, wares and merchandise, or any of them, mentioned in or covered by any warehouse receipt or bill of lading acquired and held by the bank or any security given to the bank under section 88, the bank has the same rights and powers in respect of the goods, wares and merchandise so manufactured or produced, as well during the process of manufacture or production as after the completion thereof, and for the same purposes and upon the same conditions as it had with respect to the original goods, wares and merchandise.

Subrogation of security.

(6) Where payment or satisfaction of any debt, liability, loan or advance in respect of which the bank has taken security under section 82, 86 or 88 is guaranteed by a third person and such debt, liability, loan or advance is paid or satisfied by the guarantor, such guarantor is subrogated in and to all of the powers, rights and authority of the bank under the security that the bank holds in respect thereof under sections 82, 86 and 88 and this section.

Bank may assign its rights.

(7) The bank may assign to any person all or any of its rights and powers in respect of any property on which security has been given to it under paragraph (*f*), (*g*), (*h*) or (*i*) of subsection (1) of section 88, whereupon such person has and may exercise all or any of the rights, powers and authority of the bank under such security.

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 under section 88, to secure the payment of any debt, liability, loan or advance unless such debt, liability, loan or advance is contracted or made

(*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 under section 88 would be given to the bank, in which case the debt, liability, loan or advance may be contracted or made before or at the time of or after such acquisition,

and such debt, liability, loan or advance may be renewed, or the time for the payment thereof extended, without affecting any security so acquired or held.

Exchanging of warehouse receipt for bill of lading and *vice versa*.

(2) The bank may

(*a*) on the shipment of any property for which it holds a warehouse receipt, or any security under section 88, surrender the receipt or security and receive a bill of lading in exchange therefor;

90. Section 90.

(*b*) on the receipt of any property for which it holds a bill of lading, or any security under section 88, surrender the bill of lading or security, store the property and take a warehouse receipt therefor, or ship the property, or part of it, 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 security under section 88 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; and

(*e*) when it holds any security whatever 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.

Interest and Charges.

Powers re interest.

91. (1) The bank may pay any rate of interest on a debt payable by the bank; and the bank may charge any rate of interest or rate of discount on a loan or advance made by the bank or on a debt or liability to the bank.

Exception.

(2) Notwithstanding subsection (1), the bank shall not charge, on a loan or advance payable in Canada, any rate of interest or rate of discount exceeding the maximum rate prescribed by this section, and no higher rate of interest or rate of discount is recoverable by the bank in respect of any such loan or advance.

Maximum rate prescribed.

(3) The maximum rate of interest or rate of discount per annum that the bank may charge on a loan or advance referred to in subsection (2) is,

(*a*) for any part of the interest period ending on the 31st day of December, 1966, six per cent; and

(*b*) for any part of an interest period commencing on or after the first day of January, 1967, one and three-quarters per cent plus the average of the market-yield on short-term bonds of Canada for all Wednesdays in the averaging period immediately preceding such interest period, calculated to the nearest one-quarter of one per cent or, if the result would be equidistant from two multiples of one-quarter of one per cent, to that multiple thereof that is the lower.

91. (1). 95 (2) and *new*.

(2) to (4). *New*.

Discount charge.

(4) Where a loan or advance referred to in subsection (2) is made by the bank in one interest period and is repayable in whole or in part in a later interest period, the maximum rate of discount that the bank may charge on the loan or advance is that prescribed by subsection (3) for the interest period in which the loan or advance is made notwithstanding the maximum rate of discount prescribed for later interest periods.

Minimum charges.

(5) Where the interest or discount on any loan or advance amounts to less than one dollar, the bank may, notwithstanding the other provisions of this section, charge a total amount in respect of interest or discount not exceeding one dollar, except that where the loan or advance is not in excess of twenty-five dollars and the interest or discount thereon is less than fifty cents, the maximum charge in respect thereof shall not exceed fifty cents.

Loans on security of real or immovable property.

(6) The maximum rate of interest or rate of discount prescribed by this section does not apply where the bank

(*a*) lends money or makes an advance on the security of real or immovable property in Canada, including an assignment of or mortgage on the interest of a lessee of real or immovable property;

(*b*) lends money or makes an advance to facilitate construction, on the security of an assignment of money to become payable under a commitment by another lender to advance money to the borrower not later than one year after the completion of such construction;

(*c*) takes security on real or immovable property to secure a balance of price of real or immovable property sold by the bank; or

(*d*) acquires from a corporation securities that are issued or guaranteed by the corporation and secured on any property, whether in favour of a trustee or otherwise.

Publication of rate.

(7) The Minister shall cause the maximum rate of interest or rate of discount as computed for the purposes of subparagraph (*b*) of subsection (3) to be published in the *Canada Gazette* within fifteen days after the expiration of the averaging period immediately preceding the interest period for which the maximum rate is so computed.

Definitions.

(8) For the purposes of this section,

"Averaging period."

(*a*) "averaging period" means a period of three months ending on the 30th day of November or on the 31st day of May;

"Interest period."

(*b*) "interest period" means a period of six months commencing on the first day of January or on the first day of July;

(5) 91 (2).

(6) to (10). *New.*

"Market yield on short-term bonds of Canada."

(*c*) "market-yield on short-term bonds of Canada" means the average of the yields on all outstanding issues of short-term bonds of Canada on each Wednesday, as computed from yields published by the Bank of Canada; and

"Short-term bonds of Canada."

(*d*) "short-term bonds of Canada" means marketable bonds issued by the Government of Canada, payable in Canadian currency and due to mature within three years.

Expiration of subsections (2) to (8) and section 92.

(9) Where the average of the market-yield on short-term bonds of Canada for all Wednesdays in any period of three months ending on or after the 31st day of December, 1966, is less than four and one-half per cent, subsections (2) to (8) and section 92 expire on the fifteenth day of the month next following the last month of such period but without affecting any loan or advance in respect of which a rate of discount has been charged before that day.

Notice of expiration.

(10) Notice of the day that subsections (2) to (8) and section 92 expire shall be given by proclamation of the Governor in Council published in the *Canada Gazette* before that day.

Charges on discounts.

92. The bank may, in discounting a bill of exchange, promissory note or other negotiable instrument, in order to defray the expense of collection thereof, charge in addition to the discount thereon,

(*a*) where the instrument is payable at a branch of the bank in Canada and is discounted at another branch, an amount not exceeding one-eighth of one per cent of the amount of the instrument or fifteen cents, whichever is greater, or

(*b*) where the instrument is payable at a place in Canada, other than a branch of the bank, an amount not exceeding one-fourth of one per cent of the amount of the instrument or twenty-five cents, whichever is greater.

No charge on government cheques.

93. (1) The bank shall not make a charge for cashing a cheque or other instrument 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 in respect of any cheque or other instrument drawn in favour of the Receiver General, the Government of Canada or any department thereof or any public officer in his capacity as such, and tendered for deposit to the credit of the Receiver General.

92. Section 92.

93. Section 93.

Deposits of the Government of Canada.

(2) Nothing in subsection (1) shall be construed to prohibit any arrangement between the Government of Canada and the bank concerning interest to be paid on any or all deposits of the Government of Canada with the bank.

Charges for keeping accounts.

(3) The bank shall not, directly or indirectly, charge or receive any sum for the keeping of an account unless the charge is made by express agreement between the bank and the customer.

Unclaimed Balances.

Transfer to Bank of Canada of unclaimed balances.

94. (1) Where

(*a*) a debt payable in Canada in Canadian currency is owing by the bank by reason of a deposit at a branch of the bank in Canada in respect of which no transaction has taken place and no statement of account has been requested or acknowledged by the creditor during a period of ten years reckoned

(i) in the case of a deposit made for a fixed period, from the day on which the fixed period terminated, and

(ii) in the case of any other deposit, from the day on which the last transaction took place or a statement of account was last requested or acknowledged by the creditor, whichever is later, or

(*b*) a cheque, draft or bill of exchange (including an instrument drawn by one branch of the bank upon another branch of the bank but not including an instrument issued in payment of a dividend on the capital stock of the bank) payable in Canada in Canadian currency has been issued, certified or accepted by the bank at a branch of the bank in Canada and no payment has been made in respect thereof for a period of ten years from the date of issue, certification or acceptance,

the bank shall pay to the Bank of Canada on a day to be fixed by the Minister an amount equal to the amount owing by the bank in respect of the debt or to the amount that would be owing if the instrument had been presented for payment, including interest, if any, in accordance with the terms of the debt or instrument, and payment accordingly discharges the bank from all liability in respect of the debt or instrument.

(2) *New.*

94. Section 94.

Withholding payment in case of doubt.

(2) Where in the opinion of the Minister there is doubt as to who is entitled to payment of a debt or instrument specified in subsection (1), he may, in writing, direct the bank to withhold the payment required by subsection (1) and the bank shall not make the payment until directed in writing by the Minister to do so.

Payment to claimant.

(3) Subject to subsection (5) of section 18 of the *Bank of Canada Act*, where payment has been made to the Bank of Canada under subsection (1) with respect to a debt or instrument, the Bank of Canada, if payment is demanded or the instrument is presented at the Bank of Canada by the person who, but for subsection (1), would be entitled to receive payment of the debt or instrument, is liable to pay at its agency in the province in which the debt or instrument was payable, an amount equal to the amount so paid to it, with interest thereon for a period not exceeding twenty years, from the day on which the payment was received by the Bank of Canada until the date of payment to the claimant, at such rate and computed in such manner as the Minister determines if interest was payable in accordance with the terms of the debt, and such liability may be enforced by action against the Bank of Canada in a court of competent jurisdiction in the province in which the debt or instrument was payable.

Retention of records.

(4) Where the bank has paid an amount to the Bank of Canada under subsection (1) in respect of a debt or instrument, it shall keep all signature cards and signing authorities relating to the debt or instrument until the Bank of Canada notifies the bank that they are no longer required and thereafter may destroy them.

Statutes of limitation not to apply.

(5) Except as provided in subsection (1) of this section and in subsection (2) of section 74, the liability of the bank in respect of a debt or an instrument to which subsection (1) applies is not extinguished and any action to enforce payment of the debt or instrument is not barred by any statute of prescription or limitation.

Deposits from persons unable to contract.

95. The bank may 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 payment the money so deposited in the bank is claimed by some other person in any action or

95. Section 95 (1).

proceeding to which the bank is a party and in respect of which service of a writ or other process originating such action or proceeding has been made on the bank, or in any other action or proceeding pursuant to which an injunction or order made by the court requiring the bank not to make payment of such money or to make payment thereof to some person other than the depositor has been served on the bank, and in the case of any such claim so made 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.

Bank not bound to see to trust in deposits.

96. (1) The bank is not bound to see to the execution of any trust, whether express, implied or constructive, to which any deposit made under the authority of this Act is subject.

Payment where bank has notice of trust.

(2) When 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 is, notwithstanding any trust to which such deposit is then subject, a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit and the bank is not bound to see to the application of any money paid upon such receipt or cheque.

Payments in other cases.

(3) Except only in the case of a claim made in the manner referred to in paragraph (*b*) of subsection (1) of section 95, 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 names 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 the majority of such persons is a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit.

Effect of writ, etc.

(4) A writ or process originating a legal proceeding or issued therein or in pursuance thereof or an order or injunction made by a court affects and binds only property in the possession of the bank belonging to, or moneys to the credit of, a person at the branch where such writ, process, order or injunction or notice thereof is served.

96. Section 96.

Transmission by death.

97. Where the transmission of a debt owing by the bank by reason of a deposit takes place because of the death of a person, the delivery to the bank

(*a*) of an affidavit or declaration in writing in form satisfactory to the bank signed by or on behalf of a person claiming by virtue of the transmission stating the nature and effect of the transmission, and

(*b*) when the claim is based on

(i) a will or other testamentary instrument or on a grant of probate thereof or on such a grant and letters testamentary or other document of like import or on a grant of letters of administration or other document of like import, purporting to be issued by any court or authority in Canada or elsewhere, of an authenticated copy or certificate thereof under the seal of the court or authority without proof of the authenticity of the seal or other proof, or

(ii) a notarial will, of an authenticated copy thereof,

is sufficient justification and authority for giving effect to the transmission in accordance with the claim.

Payment in Bank of Canada notes.

98. The bank, when making any payment shall, on the request of the person to whom the payment is to be made, make the payment or a part thereof, not exceeding one hundred dollars, as that person requests, in Bank of Canada notes for one, two or five dollars each.

PURCHASE OF ASSETS AND AMALGAMATION.

Banks may buy and sell assets.

99. (1) A bank may sell the whole or part of its assets to any other bank and the other bank may purchase them.

Terms of agreement.

(2) The terms of purchase and sale of assets under this section shall be specified in an agreement (hereinafter called a "sale agreement") entered into between the banks concerned in accordance with section 101.

Issue of stock as consideration.

(3) Where, pursuant to a sale agreement, a bank is required to issue shares of its capital stock by way of consideration under the agreement and for such purpose it is necessary to increase the capital stock of the bank, the shareholders may, notwithstanding anything in this Act, by by-law, increase the capital stock to the extent necessary to comply with the agreement, and the provisions of this Act relating to the increase of capital stock and the offer

97. Section 97.

98. Section 98.

99. Section 99.

and sale of such increased stock do not apply in respect of the increase of capital stock under this section or the shares issued as a result of the increase; a by-law made under this subsection has no force or effect unless and until the sale agreement is approved by the Governor in Council under section 102.

Effect of agreement.

(4) The approval by the Governor in Council under section 102 of a sale agreement vests in the purchasing bank the assets of the selling bank that under the agreement are purchased by the purchasing bank, and, subject to the agreement, the selling bank shall thereafter, if requested by the purchasing bank, execute such formal and separate conveyances, assignments and assurances as are reasonably required to confirm or evidence the vesting in the purchasing bank of the full title and ownership of the said assets.

Liability of purchasing bank.

(5) Upon approval of a sale agreement by the Governor in Council, the purchasing bank becomes liable instead of the selling bank to discharge all obligations of the selling bank that have been assumed by the purchasing bank under the agreement and, notwithstanding anything in the agreement, to redeem the outstanding notes of the selling bank issued for circulation in a country outside Canada exclusive of those in respect of which payment has been made as contemplated by subsection (3) of section 73, and the notes shall be deemed for all purposes to be notes of the purchasing bank.

Winding-up of selling bank.

(6) When the Governor in Council has approved a sale agreement, the selling bank may thereafter carry on business only to the extent necessary to enable the directors to carry out the sale agreement and wind up the business of the bank.

Amalgamation.

100. (1) Any two or more banks may amalgamate for the purpose of continuing as one bank (hereinafter called the "amalgamated bank") under the name of one of the amalgamating banks or under a new name.

Agreement.

(2) The banks proposing to amalgamate shall enter into an agreement (hereinafter called an "amalgamation agreement"), in accordance with section 101, prescribing

(*a*) the terms of the amalgamation;

(*b*) the name of the amalgamated bank and the additional name under which it is authorized to carry on business;

(*c*) the place in Canada where the head office is to be situated;

(*d*) the names, addresses and occupations of the directors of the amalgamated bank who shall hold office until the first annual meeting;

100. Section 100.

(*e*) the authorized capital stock of the amalgamated bank, and the par value of its shares;

(*f*) the manner and terms of issuing shares of the amalgamated bank to the shareholders of the banks that are parties to the agreement; and

(*g*) such other matters as may be necessary to perfect the amalgamation and to provide for the subsequent management and working of the amalgamated bank.

Effect of agreement.

(3) The approval by the Governor in Council under section 102 of an amalgamation agreement amalgamates the banks that are parties to the agreement and creates them one body politic and corporate and they shall continue thereafter as one bank under the name specified in the agreement.

Rights, liabilities of amalgamated banks.

(4) The amalgamated bank owns and possesses all the property, rights and interests and is subject to all the duties, liabilities and obligations of each of the parties to the amalgamation agreement, and the outstanding notes of the parties to the agreement described in subsection (5) of section 99 shall be deemed for all purposes to be notes of the amalgamated bank.

Act is charter.

(5) When approved by the Governor in Council, the amalgamation agreement has the force of law and, subject to the agreement, this Act applies to and is the charter of the amalgamated bank; and Schedule A is thereupon amended accordingly.

Conditions applicable.

101. (1) This section and section 102 apply in respect of a sale agreement and an amalgamation agreement.

Submission of agreement.

(2) The terms of a proposed agreement shall be submitted to the shareholders of each of the banks that are to become parties thereto either at an annual general meeting or at a special general meeting duly called for the purpose.

Notice of meeting.

(3) The directors of each bank shall cause a draft of the proposed agreement to be sent by registered mail to every shareholder of the bank at his recorded address at least four weeks prior 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 the meeting.

Approval of agreement.

(4) If at a meeting of the shareholders of each bank at which the proposed agreement is submitted in accordance with this section, the agreement is approved by resolution carried by the votes of shareholders, voting in person or by proxy, representing not less than two-thirds of the amount of the subscribed capital stock of the bank, the agreement may be executed on behalf of each bank.

101. Section 101.

Approval by Governor in Council.

102. (1) A sale or amalgamation agreement has no force or effect until it has been approved by the Governor in Council.

Conditions.

(2) The Governor in Council shall not approve the agreement unless

(*a*) the Minister, before the proposed agreement was submitted to the shareholders, approved in writing the making of such an agreement by the banks concerned;

(*b*) he is satisfied that the shareholders of the parties to the agreement have approved the agreement in accordance with section 101;

(*c*) notice of the intention of the parties to the agreement to apply to the Governor in Council for approval of the agreement has been published for at least four weeks in the *Canada Gazette* and in one or more newspapers published in the place where the head office of each bank is situated;

(*d*) the application for approval is made within three months from the date of execution of the agreement; and

(*e*) the Minister recommends that the agreement be approved.

Evidence of approval.

(3) The approval of the Governor in Council of an agreement shall be evidenced by an order of the Governor in Council and a copy of the order purporting to have annexed thereto a true copy of the agreement, certified by the Clerk or Assistant Clerk of the Privy Council for Canada, is in all courts and for all purposes, *prima facie* proof of the agreement, of the due execution thereof, of its approval by the Governor in Council and of the regularity of all proceedings in connection therewith.

Refusal.

(4) Nothing in this Act shall be construed as precluding the Minister or the Governor in Council from refusing to give or to recommend any approval that is required in respect of an agreement.

RETURNS.

Return in form of Schedule M.

103. (1) The bank shall, within the first twenty-eight days of each month, make a return to the Minister and to the Bank of Canada in the form set out in Schedule M, which shall present fairly the financial position of the bank on the last day of the last preceding month.

Controlled corporation outside Canada.

(2) Where a bank carries on the business of banking outside Canada in the name of a corporation controlled by the bank, and owns all the issued capital stock of the corporation except the qualifying shares of directors, the assets and liabilities of the corporation shall be

102. Section 102.

103. Section 103.

consolidated with those of the bank for the purposes of the return required by this section and attention drawn to the consolidation by way of footnote.

Return date for branches.

(3) Where the return of a branch of the bank or of a corporation referred to in subsection (2) for the last day of a month does not, before the tenth day of the next following month, reach

(*a*) the head office of the bank, or

(*b*) the office of the general manager, if his office is at a place other than the head office,

the return last received from the branch or corporation showing, as far as that branch or corporation is concerned, the financial position of the bank at the date specified therein may be used in the preparation of the return required by this section.

Amendment of Schedule M.

(4) The Governor in Council may amend Schedule M.

Return of reserves.

104. The bank shall, within the first twenty-eight days of each month, make a return to the Minister and to the Bank of Canada, in a form prescribed by the Minister, of the information appropriate to determine reserves for the last preceding month in accordance with subsection (5) of section 72.

Return of foreign currencies.

105. The bank shall, at such times and in such form as the Minister prescribes, make a return to the Minister of its assets and liabilities that are valued or payable in foreign currencies.

Return in form of Schedule Q.

106. (1) The bank shall, before the end of each calendar year, make a return to the Minister in the form set out in Schedule Q for the financial year of the bank ending in that calendar year.

Amendment of Schedule Q.

(2) The Minister may amend Schedule Q.

Return of loans.

107. The bank shall, once in each year at such time and in such form as the Minister prescribes, make a return to the Minister with respect to loans made by the bank in Canadian currency that are outstanding.

Return of deposit liabilities.

108. The bank shall, once in each year at such time and in such form as the Minister prescribes, make a return to the Minister with respect to deposit liabilities of the bank payable in Canadian currency.

Return of unclaimed deposits.

109. (1) The bank shall, within sixty days after the end of each calendar year, make a return to the Minister as of the end of that calendar year, in such form as he prescribes, with respect to all debts payable by the bank in

104. Section 104.

105. Section 105.

106. Section 106.

107. Section 107.

108. Section 108.

109. Section 109.

Canada in Canadian currency by reason of deposits at branches of the bank in Canada in respect of which no transaction has taken place and no statement of account has been requested or acknowledged by the creditor during a period of nine years or more, reckoned

(*a*) in the case of a deposit made for a fixed period, from the day on which the fixed period terminated, and

(*b*) in the case of any other deposit, from the day on which the last transaction took place or a statement of account was last requested or acknowledged by the creditor, whichever is later,

until the date of the return.

Content of return.

(2) A return made under subsection (1) shall show in so far as known to the bank

(*a*) the name of each creditor to whom the debts are payable;

(*b*) the recorded address of each such creditor;

(*c*) the amount payable to each such creditor; and

(*d*) the branch of the bank at which the last transaction took place with respect to the debt, and the date thereof.

Amounts under ten dollars.

(3) Where the total amount of debts to which subsection (1) applies payable to a creditor is less than ten dollars, the bank may omit the particulars in respect thereof required by subsection (2) from returns made under this section.

Return of cheques, etc.

110. (1) The bank shall, within sixty days after the end of each calendar year, make a return to the Minister as of the end of that calendar year, in such form as he prescribes, with respect to all cheques, drafts or bills of exchange (including instruments drawn by one branch of the bank upon another branch of the bank but not including instruments issued in payment of a dividend on the capital stock of the bank) payable in Canada in Canadian currency that have been issued, certified or accepted by the bank at branches of the bank in Canada and in respect of which no payment has been made for a period of nine years or more reckoned from the date of issue, certification or acceptance until the date of the return.

Content of return.

(2) A return made under subsection (1) shall show in so far as known to the bank

(*a*) the name of each person to whom or at whose request each instrument was issued, certified or accepted;

(3) *New.*

110. Section 110.

(*b*) the recorded address of each such person;
(*c*) the name of the payee of each instrument;
(*d*) the amount and date of each instrument;
(*e*) the name of the place where each instrument was payable; and
(*f*) the branch of the bank at which each instrument was issued, certified or accepted.

Amounts under ten dollars.

(3) Where the amount of an instrument to which subsection (1) applies is less than ten dollars, the bank may omit the particulars in respect thereof required by subsection (2) from returns made under this section.

Notice of unpaid amount.

111. (1) The bank shall mail to each person, in so far as known to the bank,

(*a*) to whom a debt referred to in section 109 is payable, or
(*b*) to whom or at whose request an instrument referred to in section 110 was issued, certified or accepted,

at his recorded address, a notice in writing stating that the debt or instrument, as the case may be, remains unpaid.

When notice to be given.

(2) The notice required by subsection (1) shall be given 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*) no transaction has taken place and no statement of account has been requested or acknowledged by the creditor, or
(*b*) the instrument has remained unpaid,

as the case may be.

Return of interest charges.

112. (1) The bank shall, within thirty days after the end of each calendar year, make a return to the Minister in the form of a declaration in writing disclosing whether, according to the books of the bank and the signed returns received from the managers of branches, the bank has, during that calendar year, charged in respect of any loan or advance payable in Canada any rate of interest or discount exceeding the rate authorized by this Act.

Signature.

(2) A declaration required by subsection (1) shall be signed by the persons who are required to sign the declaration mentioned in subsection (1) of section 118.

(3) *New.*

111. Section 112.

112. Section 113.

Return of real property.

113. The bank shall, once in each year, make a return to the Minister at such time and in such form as the Minister prescribes, with respect to the real or immovable property held by the bank that is not required for its own use as determined in accordance with subsection (2) of section 84.

Return of names of directors, etc.

114. (1) The bank shall, within thirty days after each annual general meeting of the shareholders, make a return to the Minister showing

(*a*) the name and address of each director elected at the meeting, the corporations of which he is a director and the firms of which he is a member; and

(*b*) the names of the chairman, vice-chairmen and deputy chairmen of the board of directors, if any, the president and each vice-president who is a director, of the bank.

Notice of vacancies.

(2) Where a vacancy occurs in the board of directors or in the office of chairman, vice-chairman or deputy chairman of the board, president or a vice-president who is a director, the bank shall, forthwith upon the vacancy being filled, notify the Minister of the name and address of the person who fills the vacancy and the corporations of which he is a director and the firms of which he is a member.

Change in officers.

(3) Where a change is made in the holder of the office of general manager or chief accountant, the bank shall forthwith notify the Minister of the name of the person appointed to the office.

Return of names of shareholders.

115. The bank shall, within thirty days after the end of each calendar year, make a return to the Minister with respect to its shareholders according to its books as at the end of the financial year of the bank ending in that calendar year, showing

(*a*) the name of each shareholder who holds shares of the capital stock of the bank having a par value of more than five thousand dollars;

(*b*) the place of the recorded address of each such shareholder;

(*c*) the number of shares held by him and the amount, if any, remaining to be paid thereon;

(*d*) a designation of each such shareholder whose recorded address is a place within Canada but who, to the knowledge of the bank, is a non-resident for the purposes of sections 53 to 57;

(*e*) the total number of shares held by

(i) those shareholders whose recorded addresses are places outside Canada, and

113. Section 114.

114. Section 115.

115. Section 116.

(ii) those shareholders who each hold shares having a par value of more than five thousand dollars, whose recorded addresses are places within Canada but who, to the knowledge of the bank, are non-residents for the purposes of sections 53 to 57; and

(*f*) the total number of shareholders who each hold shares having a par value of not more than five thousand dollars, the total number of shares held by them collectively and the total amount, if any, remaining to be paid thereon.

Additional information.

116. (1) In addition to the returns required by sections 103 to 115, the bank shall furnish to the Minister

(*a*) the documents required to be sent to him under section 40, subsection (5) of section 60 and subsection (16) of section 63; and

(*b*) such other information at such times and in such form as the Minister may require.

Minister may determine information.

(2) The Minister may, in any case of doubt, determine

(*a*) the information that is to be included in any classification, and

(*b*) in which classification particular information shall be included,

in any form prescribed by or under this Act.

Extension of time.

(3) The Minister may extend the time for making a return required by this Act for a period not exceeding thirty days.

Additional information.

117. In addition to the returns required by sections 103 and 104 the bank shall furnish to the Bank of Canada such other information at such times and in such form as the Bank of Canada may require, but the bank shall not be required under this section to furnish information with respect to the accounts or affairs of any particular person.

Declaration to be annexed.

118. (1) A return made by the bank under sections 103 to 110 shall have annexed thereto as part of the return, a declaration in the form set out in Schedule S, signed

(*a*) as to Part I thereof, by the chief accountant or a person authorized to sign in the place of the chief accountant; and

(*b*) as to Part II thereof, by the president, a vice-president who is a director or a director authorized to sign in the place of the president, and by the general manager or a person authorized to sign in the place of the general manager.

116. Section 117.

117. *New.*

118. Section 118.

Signature.

(2) A return made by the bank under section 113, 114 or 115 shall be signed by the president, a vice-president who is a director or a director authorized to sign in the place of the president, and by the general manager or a person authorized to sign in the place of the general manager.

Returns to be laid before Parliament.

119. (1) Each return made under section 115 and a compilation for all banks of the information contained in the returns made under sections 106 to 108 shall be laid before Parliament within thirty days after the expiry of the time prescribed by or pursuant to this Act for making the return or, if Parliament is not then sitting, on any of the first thirty days next thereafter that Parliament is sitting.

Publication.

(2) The Minister shall, in each year, cause the information contained in the returns made under sections 109 and 110 in that year and the compilations of the information contained in the returns made under sections 106 to 108 to be published in the *Canada Gazette* within thirty days after the expiry of the time prescribed by or pursuant to this Act for making the return.

INSOLVENCY.

Suspension for 90 days to constitute insolvency.

120. Any suspension by the bank of payment of any of its liabilities as they accrue, in Bank of Canada notes, if it continues for ninety days consecutively, or at intervals within twelve consecutive months, constitutes the bank insolvent.

Charter to remain in force.

121. The charter of the bank in the case mentioned in section 120 remains in force only for the purpose of enabling the directors, or other lawful authority, to make and enforce the calls mentioned in section 122, and to wind up the business of the bank.

When directors to make calls.

122. (1) Where any suspension of payment in full, in Bank of Canada notes, of any of the liabilities of the bank continues for three months after the expiration of the time that, under section 120, would constitute the bank insolvent, and no proceedings are taken under any Act for the winding-up of the bank, the directors shall make calls on each shareholder thereof to the amount they deem necessary to pay all the debts and liabilities of the bank not exceeding the amount uncalled on his shares, without waiting for the collection of any debts due to the bank or the sale of any of its assets or property.

Provisions applicable to calls.

(2) The following provisions apply in respect of calls made under subsection (1), namely:

(*a*) the calls shall be payable at intervals of thirty days;

119. Section 119.

120. Section 120.

121. Section 121.

122. Section 122.

(*b*) notice of the calls shall be given to the shareholders;

(*c*) any number of calls may be made by one resolution;

(*d*) no call shall exceed twenty per cent of the amount subscribed in respect of each share;

(*e*) payment of calls may be enforced in like manner as payment of any other calls under this Act;

(*f*) the first of such calls may be made within ten days after the expiration of the said three months;

(*g*) 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 calls shall be made in the manner prescribed for the making of such calls in such Act; and

(*h*) failure on the part of a shareholder to pay any such call when due constitutes a forfeiture by the shareholder of all claim in or to any part of the assets of the bank; but the call and any further call thereafter is recoverable from him as if no forfeiture had taken place.

Liability of shareholders who have transferred their stock.

123. The following persons, namely:

(*a*) persons who, having been shareholders of the bank, have transferred their shares, or any of them, within sixty days before the commencement of the suspension of payment by the bank; and

Or whose shares have been forfeited.

(*b*) persons whose shares of the capital stock of the bank have been forfeited within sixty days before the commencement of the suspension of payment by the bank;

are 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.

Order of charges.

124. In the case of the insolvency of the bank

(*a*) the payment of the notes issued by the bank, intended for circulation in a country outside Canada and then outstanding, exclusive of those in respect of which payment has been made as contemplated by subsection (3) of section 73, shall be the first charge upon the assets of the bank;

(*b*) the payment of any amount due to the Government of Canada, in trust or otherwise, except indebtedness evidenced by bank debentures, shall be the second charge upon such assets;

123. Section 123.

124. Section 124.

(*c*) the payment of any amount due to the government of a province, in trust or otherwise, except indebtedness evidenced by bank debentures, shall be the third charge upon such assets; and

(*d*) the amount of any penalties for which the bank is liable shall be a charge upon the assets of the bank after all other liabilities are paid.

CURATOR.

Minister to appoint curator.

125. (1) The Minister shall, if the bank suspends payment in Bank of Canada notes of any of its liabilities as they accrue, forthwith appoint in writing a curator to supervise the affairs of the bank.

Idem.

(2) The Minister may, if the Inspector reports that in his opinion the bank is insolvent, forthwith appoint in writing a curator to supervise the affairs of the bank.

Removal.

126. The Minister may at any time remove the curator and may appoint in writing another person to act in his stead.

Powers and duties of curator.

127. (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 in a country outside Canada and outstanding at the time of his appointment, exclusive of those in respect of which payment has been made as contemplated by subsection (3) of section 73.

Generally.

(2) The curator has generally 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 is entitled to free and full access to all books, accounts, cash, securities, documents and vouchers of the bank and any security held by the bank.

Supervision.

(3) The curator shall supervise the affairs of the bank until he is removed from office, or until a liquidator is duly appointed to wind up the business of the bank.

Officers and employees to assist curator.

128. The directors, officers and employees of the bank shall give and afford to the curator all such information and assistance as he requires in the discharge of his duties.

Approval by curator.

129. No by-law, rule, resolution or act, relating to the affairs or management of the bank, passed, made or

125. Section 125.

126. Section 126.

127. Section 127.

128. Section 128.

129. Section 129.

done by the directors during the time the curator is in charge of the bank, is of any force or effect until approved in writing by the curator.

Remuneration of curator.

130. 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 head office of the bank is situated, 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.

LIQUIDATOR.

Returns by liquidator.

131. A liquidator appointed to wind up the affairs of the bank shall furnish to the Minister such information, in such form, relating to the affairs of the bank, as the Minister may require of him.

PAYMENTS UPON WINDING-UP.

Unclaimed money on winding-up.

132. (1) Notwithstanding the *Winding-up Act*, where the business of the bank is being wound up, the liquidator shall pay to the Minister on demand and in any event before the final winding-up thereof, any amount that is payable by the liquidator to a creditor or shareholder of the bank to whom payment thereof has not, for any reason, been made.

Payment to Bank of Canada.

(2) The Minister shall pay to the Bank of Canada any amounts paid to him under subsection (1).

Liquidator and bank discharged.

(3) Payment by a liquidator to the Minister under this section discharges the liquidator and the bank in respect of which the payment is made from all liability for the amount so paid and payment by the Minister to the Bank of Canada under this section discharges the Minister from all liability for the amount so paid.

Liability of Bank of Canada.

(4) Subject to subsection (5) of section 18 of the *Bank of Canada Act*, where payment has been made to the Bank of Canada of an amount under this section, the Bank of Canada, if payment is demanded by the person who, but for this section, would be entitled to receive payment of that amount from the liquidator or the Minister, is liable to pay at its head office an amount equal to the amount so paid to it, with interest thereon for the period, not exceeding twenty years, from the day on which the payment was received by the Bank of Canada until the date of payment to the claimant, at such rate and computed in such manner as the Minister determines, and such liability may be enforced by action against the Bank of Canada in any court of competent jurisdiction in Canada.

130. Section 130.

131. Section 131.

132. Section 132.

Outstanding notes.

133. (1) Notwithstanding the *Winding-up Act*, where the business of the bank is being wound up and notes of the bank issued for circulation in a country outside Canada, exclusive of those in respect of which payment has been made as contemplated by subsection (3) of section 73, are outstanding, the liquidator shall, before the final winding-up but not later than three years from the commencement of the winding-up, out of the assets of the bank,

(*a*) pay, in accordance with arrangements prescribed by the Minister, to a person in that country, an amount in the currency of that country equal to the amount of the notes, or

(*b*) pay to the Bank of Canada in Canadian currency an amount equal to the amount of the notes at a rate of exchange to be fixed by the Minister,

whichever the Minister requires, and payment accordingly discharges the liquidator and the bank from all liability in respect of the notes.

Redemption.

(2) Notwithstanding any other Act, where a payment has been made to the Bank of Canada under this section, the Bank of Canada is liable to redeem the notes with respect to which the payment was made upon presentation thereof at the head office of the Bank of Canada, in Canadian currency at the rate of exchange that was fixed under subsection (1) in respect of the payment.

Offences and Penalties.

Payments of Incorporation and Organization Expenses.

Payment of expenses prior to obtaining approval.

134. (1) Every provisional director or director who, prior to the time at which the approval permitting a bank to commence the business of banking has been obtained from the Governor in Council, 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, is guilty of an offence against this Act.

After approval obtained.

(2) Every general manager or other officer of a bank who, after the approval has been obtained from the Governor in Council, pays or causes to be paid, out of moneys paid in by subscribers or interest thereon, any sum for or on account of the incorporation or organization expenses of the bank, and every director who authorizes payment of such sum, unless the sum so paid is mentioned or included in the statement submitted to the Governor in Council at the time at which the application is made under

133. Section 133.

134. Section 134.

this Act to the Governor in Council for approval permitting the bank to commence the business of banking, is guilty of an offence against this Act.

Where no approval obtained.

(3) Where no approval from the Governor in Council has been obtained within the time limited by this Act, every provisional director or director who 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, unless provision had been made pursuant to section 15 for payment, is guilty of an offence against this Act.

Commencement of Business.

Commencing business without approval.

135. Every provisional director or director of a bank and every other person who, before the obtaining of the approval from the Governor in Council required by this Act permitting the bank to commence business, transacts or authorizes the transaction of any business in connection with such bank, except as authorized by this Act to be transacted before the obtaining of such approval, is guilty of an offence against this Act.

Sale and Transfer of Shares.

Sale and transfer contrary to requirements.

136. Every person, whether principal, broker or agent, who sells or transfers or attempts to sell or transfer any share of the capital stock of a bank

(*a*) knowing that the person making the sale or transfer, or that the person in whose name or on whose behalf the sale or transfer is made, is not at the time of the sale or attempted sale the registered owner, or

(*b*) without the assent to the sale of the registered owner thereof,

is guilty of an offence against this Act, unless under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank.

Annual Statement.

Statements not signed as required.

137. Every bank that issues or publishes

(*a*) a copy of the annual statement that has not been signed as required by section 60, or

(*b*) a copy of the annual statement required by section 60 that does not have a copy of the auditors' report attached thereto,

and every director, officer or employee of the bank who is knowingly a party to the issue or publication is liable to a penalty of two hundred and fifty dollars.

135. Section 135.

136. Section 136.

137. Section 137.

Prohibited Agreements.

Agreements fixing interest.

138. (1) Except as provided in subsection (2), every bank that makes an agreement with another bank with respect to

(*a*) the rate of interest on a deposit, or

(*b*) the rate of interest or the charges on a loan,

and every director, officer or employee of the bank who knowingly makes such an agreement on behalf of the bank, is liable to a penalty of five thousand dollars.

Exception.

(2) Subsection (1) does not apply to an agreement

(*a*) with respect to a deposit or loan made or payable outside Canada;

(*b*) applicable only to the dealings of two or more banks as regards a customer of such banks;

(*c*) with respect to a bid for or purchase, sale or underwriting of securities by banks or a group including banks; or

(*d*) requested or approved by the Minister.

Inspection.

Refusal to give evidence.

139. (1) Every person who refuses to give evidence under oath or to produce any book or document material thereto when required to do so by the Inspector or his representative when acting under subsection (4) of section 65 is guilty of an offence against this Act.

Making of grant or gratuity.

(2) Every bank that, and every director, officer or employee of a bank who, makes or pays a grant or gratuity in contravention of subsection (1) of section 68 is guilty of an offence against this Act.

Refusal or failure to furnish information.

(3) Every person who refuses or fails to furnish the Inspector with any information or explanations that the Inspector requires him to furnish under section 65 is guilty of an offence against this Act.

Acceptance of grant or gratuity.

140. (1) The Inspector or any other person appointed or employed under section 64 who accepts a grant or gratuity in contravention of subsection (1) of section 68 is guilty of an offence against this Act.

Disclosure of information.

(2) The Inspector or any other person appointed or employed under section 64 or any person to whom powers are delegated under subsection (4) of section 65 who discloses any information in contravention of subsection (2) of section 68 is guilty of an offence against this Act.

138. *New.*

139. (1) (2) Section 139 (1) (3).

(3) *New.*

140. Section 139 (2) (4).

Cash and Secondary Reserves.

Failure to maintain reserves.

141. When a bank knowingly fails to maintain a cash or secondary reserve as required by section 72, the amount of the deficiency shall be deemed to be a deficiency for the entire period, as specified in that section in relation to the reserve, in which it occurs and the bank is liable to a penalty at the rate of ten per cent per annum of the amount for that period.

Issue and Circulation of Notes.

Issue and re-issue of notes.

142. Every bank that issues or re-issues a note contrary to paragraph (*a*) of subsection (2) of section 75, and every director, officer or employee of the bank who knowingly is a party thereto, is guilty of an offence against this Act.

Idem.

143. Every person who issues or re-issues, 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, is liable to a penalty of five hundred dollars.

Mutilation of notes.

144. Every person who cuts, tears or otherwise mutilates, or in any way defaces a Bank of Canada note or a bank note is liable on summary conviction to a fine not exceeding twenty dollars.

Prohibited Business.

Bank doing prohibited business.

145. (1) Every bank that violates any of the provisions of paragraph (*b*), (*c*) or (*d*) of subsection (2) of section 75 is liable to a penalty of five hundred dollars in respect of each violation.

Idem.

(2) Every bank that violates the provisions of paragraph (*e*) or (*f*) of subsection (2) of section 75 or section 76 is liable to a penalty of five thousand dollars in respect of each violation.

Where director personally interested.

(3) Except as authorized by this Act, if any director of a bank is present or votes at a meeting of the board during the time at the meeting when loans or advances to himself or any firm of which he is a member or any corporation of which he is a director are under consideration, the bank and the director are each liable to a penalty of five thousand dollars, and such director shall forthwith vacate his office of director and is not 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.

141. Section 140.

142. Section 141.

143. Section 142.

144. Section 143.

145. Section 144.

Acting for insurance company.

(4) Every bank that, and every officer or employee of a bank who, violates the provisions of subsection (6) of section 75 is liable to a penalty of five hundred dollars in respect of each violation.

Excess of liabilities.

(5) Every bank to which paragraph (*g*) of subsection (2) of section 75 applies that violates the provisions of that paragraph is subject to a penalty of five hundred dollars a day for each day in which the violation occurs.

Bank not selling shares subject to privileged lien.

146. Every bank having, by virtue 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 held by the debtor or person liable, that

(*a*) neglects to sell such shares within twelve months after such debt or liability has accrued and become payable, or

Or selling without notice.

(*b*) 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 to the holder at his recorded address at least thirty days prior to such sale,

Penalty.

is liable to a penalty of five hundred dollars.

Warehouse Receipts, Bills of Lading and other Security.

Making false statements under s. 88.

147. Every person who wilfully makes any false statement

(*a*) in any warehouse receipt or bill of lading given to a bank under the authority of this Act, or

(*b*) in any document giving or purporting to give security upon property to a bank under section 88,

is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years.

Wilfully disposing of or withholding goods covered by security.

148. Every person who, having possession or control of property mentioned in or covered by any warehouse receipt, bill of lading or any security given to the bank under section 88, and having knowledge of such receipt, bill of lading or security, without the consent of the bank in writing before the loan, advance, debt or liability thereby secured has been fully paid

(*a*) wilfully alienates or parts with any such property, or

(5) *New.*

146. Section 145.

147. Section 146.

148. Section 147.

(*b*) wilfully withholds from the bank possession of any such property if demand for such possession is made by the bank after failure to pay such loan, advance, debt or liability,

is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years.

Non-compliance with requirements for sale.

149. Where any debt or liability to a bank is secured by

(*a*) any warehouse receipt or bill of lading, or

(*b*) any security upon property given to the bank under section 88,

Penalty.

and is not paid, the bank is liable to a penalty of five hundred dollars if it sells the property covered by such warehouse receipt, bill of lading or security under the power of sale conferred upon it by this Act without complying with the provisions of this Act applicable to the exercise of such power of sale.

Acquisition of warehouse receipts, bills of lading, etc.

150. Every bank that acquires or holds any warehouse receipt or bill of lading or any document signed and delivered to the bank giving or purporting to give to the bank security on property under section 88, to secure the payment of any debt, liability, loan or advance, is liable to a penalty of five hundred dollars unless

(*a*) such debt, liability, loan or advance is contracted or made at the time of the acquisition by the bank of such warehouse receipt, bill of lading or document;

(*b*) such debt, liability, loan or advance is contracted or made upon the written promise or agreement that a warehouse receipt, bill of lading or security under section 88 would be given to the bank; or

(*c*) the acquisition or holding by the bank of the warehouse receipt, bill of lading or security is otherwise authorized by this Act.

Interest Charges.

Violation of interest provisions.

151. Every bank that violates the provisions of section 91 is guilty of an offence and liable on summary conviction or on conviction upon indictment to a fine not exceeding five hundred dollars, and every person who, being an officer or employee of the bank, violates the provisions of section 91 is guilty of an offence and liable on summary conviction to a fine not exceeding one hundred dollars.

149. Section 148.

150. Section 149.

151. Section 150.

Returns.

Failure to make returns.

152. (1) Every bank that fails

(*a*) to make a return required to be made by it under this Act,

(*b*) to furnish to the Minister any information required to be furnished by it under subsection (1) of section 116, or

(*c*) to furnish to the Bank of Canada any information required to be furnished by it under section 117,

in the form and manner, within the time and containing the information prescribed by or pursuant to this Act, is liable to a penalty of fifty dollars for each day after the expiry of the time so prescribed for making the return or furnishing the information during which the failure continues.

Date of posting returns.

(2) If any return required to be made or any information required to be furnished under or pursuant to this Act is transmitted by post, the date appearing by the stamp or mark of the post office in Canada upon the envelope or wrapper enclosing the return or information received by the Minister or by the Bank of Canada, as the date of deposit in the post office shall be taken *prima facie* for the purpose of subsection (1) to be the day upon which the return was made or the information was furnished.

False statements.

153. (1) Every director, officer or employee of a bank and every auditor of a bank 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 information, or any return that does not present fairly information as required by this Act, is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.

Idem.

(2) Every director, officer or employee of a bank and every auditor of a bank 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 information, or any return that does not present fairly information as required by this Act, is guilty of an indictable offence and liable to imprisonment for a term not exceeding three years.

Suspension of Payment.

Calls.

154. (1) Every director of a bank who refuses to make or enforce or to concur in the making or enforcing of any call on the shareholders of the bank as required by

152. Section 151.

153. Section 152.

154. (1) Section 153.

section 122 is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years.

Payment of liabilities.

(2) Every director, officer or employee of a bank who, during any period of suspension of payment in Bank of Canada notes of any of the liabilities of the bank as they accrue, with knowledge of such suspension and without the consent of a duly appointed curator or liquidator, pays or causes to be paid to any person any debt or liability of the bank, is guilty of an offence against this Act.

Undue Preference to the Bank's Creditors.

Undue preference to any creditor.

155. Every director, officer or employee of a bank who 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, is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years.

Obtaining gifts or showing favour.

156. (1) Every person is guilty of an offence and liable, upon conviction on indictment, to two years' imprisonment or to a fine not exceeding twenty-five hundred dollars, or to both such fine and imprisonment, and, upon summary conviction, to imprisonment for six months, or to a fine not exceeding five hundred dollars, or to both such fine and imprisonment, who

(*a*) being a director, officer or employee 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

(*b*) corruptly gives or agrees to give or offers any gift or consideration to a director, officer or employee of a bank as an inducement or reward or consideration 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.

(2) Section 154.

155. Section 155.

156. Section 156.

Use of the Title "bank", etc.

Unauthorized use of title "bank", etc.

157. (1) Every person who, in any language, uses the word "bank", "banker" or "banking", either alone or in combination with other words, or any word or words of import equivalent thereto, to indicate or describe his business in Canada or any part of his business in Canada without being authorized so to do by this or any other Act, is guilty of an offence against this Act.

Use of bank's name in prospectus or advertisement.

(2) Every person who uses the name of a bank in a prospectus or advertisement for the sale of securities other than those issued by or guaranteed as to principal and interest by Canada, a province, or a municipal or school corporation in Canada or a bank is guilty of an offence against this Act.

Offences Relating to Share Transactions.

Unlawful transfer of bank stock.

158. (1) Every bank that violates any provision of section 53 is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars; and every person who, being a director, officer, employee or agent of the bank, knowingly authorizes or permits a violation of any provision of section 53 is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year or to both such fine and imprisonment.

Unlawful voting of shares.

(2) Every person who knowingly violates any provision of section 54 or subsection (6) of section 56 is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year or to both such fine and imprisonment.

Acceptance of subscription contrary to conditions.

(3) Every bank to which subsection (1) of section 57 is applicable that violates any term or condition prescribed by the Governor in Council under that subsection is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars; and every person who, being a director, officer, employee or agent of the bank, knowingly authorizes or permits a violation of any term or condition prescribed by the Governor in Council under subsection (1) of section 57 and applicable to the bank is guilty of an offence and liable on summary conviction to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

157. Section 157.

158. *New.*

Voting shares contrary to conditions.

(4) Every person who knowingly votes any share of the capital stock of the bank in violation of any term or condition prescribed by the Governor in Council under subsection (2) of section 57 and applicable to the share voted is guilty of an offence and liable on summary conviction to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

Punishment for Offences against this Act.

Punishment for offences.

159. Every person who commits an offence against this Act is, unless otherwise provided by this Act, liable

(*a*) on summary conviction, to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months, or to both such fine and imprisonment; or

(*b*) on conviction upon indictment, to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding five years, or to both such fine and imprisonment.

Procedure.

Pecuniary penalties.

160. (1) Unless otherwise provided by this Act, pecuniary penalties imposed upon a bank or person by this Act are recoverable and enforceable, with costs, at the suit of Her Majesty instituted by the Attorney General of Canada, and such penalties belong to Her Majesty in right of Canada, except that the Governor in Council 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.

Waiver.

(2) The Minister may waive all or any part of the pecuniary penalties imposed by this Act in any case where in his opinion the circumstances so warrant.

REPEAL.

Repeal.

161. The *Bank Act*, chapter 48 of the Statutes of 1953–54, is repealed.

COMING INTO FORCE.

Coming into force.

162. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

159. Section 158.

160. Section 159.

SCHEDULE A

(Section 4)

Name of Bank	Additional name under which Bank is authorized to carry on business	Authorized capital stock	Par value of shares	Head office of the Bank
Bank of Montreal	Banque de Montréal	$100,000,000	$10	Montreal
The Bank of Nova Scotia	La Banque de Nouvelle-Ecosse	$ 50,000,000	$10	Halifax
The Toronto-Dominion Bank	La Banque Toronto-Dominion	$ 50,000,000	$10	Toronto
La Banque Provinciale du Canada	The Provincial Bank of Canada	$ 20,000,000	$10	Montreal
Canadian Imperial Bank of Commerce	Banque Canadienne Impériale de Commerce	$125,000,000	$10	Toronto
The Royal Bank of Canada	La Banque Royale du Canada	$100,000,000	$10	Montreal
Banque Canadienne Nationale	National Canadian Bank	$ 25,000,000	$10	Montreal
The Mercantile Bank of Canada	La Banque Mercantile du Canada	$ 10,000,000	$10	Montreal

SCHEDULE B

(Section 8)

An Act to incorporate the_____
(Insert name of 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 Her 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 occupation of each provisional 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 shall be the provisional directors of the Bank.

3. The authorized capital stock of the Bank shall be_____ dollars, divided into shares having a par value of_____dollar(s) each.

4. The head office of the Bank shall be at_____.

5. The additional name under which the Bank is authorized to carry on business is_____.

6. Schedule A of the *Bank Act* is amended by adding thereto the following:

"(Insert Name of Bank, Additional name under which Bank is authorized to carry on business, Authorized capital stock, Par value of shares and Head office of the Bank)"

SCHEDULE C

(Section 88 (1) (a), (b), (c) or (e)—security on all property of specified kinds)

For good and valuable consideration, the undersigned hereby assigns to the_____Bank (hereinafter called "the bank") as continuing security for the payment of all loans and advances made or that may be made by the bank to the undersigned up to and including the_____day of_____, 19____, pursuant to the application for credit and promise to give security made by the undersigned to the bank and dated the_____day of_____, 19____, and any application(s) for credit and promise(s) to give security supplemental thereto made or to be made by the undersigned to the bank or renewals of such loans and advances or substitutions therefor and interest on such loans and advances and on any such renewals and substitutions, all property of the kind(s) hereinafter described of which the undersigned is now or may hereafter become the owner, to wit,—

*(Description of property)**

and which is now or may hereafter be in the place or places hereinafter designated, to wit,—

*(Designation of place or places)**

This security is given under the provisions of section 88 of the *Bank Act*.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank *(or as the case may be)*, and the undersigned warrants that the property which may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank *(or as the case may be)*.

DATED at_____ the_____ day of

_____, 19____.

_____

* (NOTE—*The description of property and the designation of place or places, or any part thereof, may be set out on the back of the form or in a schedule annexed.*)

22804—14

SCHEDULE D

(*Section 88 (1) (d) (i) or (ii)*)

In consideration of a loan or advance of_____ dollars made to the undersigned by the_____ Bank (hereinafter called "the bank"), for which the bank holds the following note(s) of the undersigned: (*describe the note(s)*), such loan or advance being made for the purchase of seed grain (*or* seed potatoes) (*or* fertilizer) to be sown (*or* used) upon land situated in the Province of _____ and being_____, the undersigned hereby assigns to the bank as security for the payment of the said loan or advance or renewals thereof or substitutions therefor and interest on such loan or advance and on any such renewals and substitutions, the seed grain (*or* seed potatoes) purchased and the crop to be grown therefrom upon the land aforesaid (*or* the fertilizer purchased and the crop to be grown from the land on which in the same season such fertilizer is to be used).

This security is given under the provisions of section 88 of the *Bank Act*.

DATED at_____ the_____ day of

_____, 19____.

_____

SCHEDULE E

(*Section 88 (1) (d) (iii)*)

In consideration of a loan or advance of_____ dollars made to the undersigned by the_____ Bank (hereinafter called "the bank"), for which the bank holds the following note(s) of the undersigned: (*describe the note(s)*), such loan or advance being made for the purchase of binder twine for use in the harvesting of a crop grown on land situated in the Province of_____ and being_____, the undersigned hereby assigns to the bank as security for the payment of the said loan or advance or renewals thereof or substitutions therefor and interest on such loan or advance and on any such renewals and substitutions, the binder twine purchased and the crop in the harvesting of which the binder twine is to be used.

This security is given under the provisions of section 88 of the *Bank Act*.

DATED at_____ the_____ day of

_____, 19____.

_____

SCHEDULE F

(Section 88 (1) (c) or (e)—security on particular property)

In consideration of a loan or advance of_____ dollars made to the undersigned by the_____ Bank (hereinafter called "the bank"), for which the bank holds the following note(s) of the undersigned: (*describe the note(s)*), the undersigned hereby assigns to the bank as security for the payment of the said loan or advance or renewals thereof or substitutions therefor and interest on such loan or advance and on any such renewals and substitutions, the property hereinafter described of which the undersigned is now or may hereafter become the owner, to wit,—

(*Description of property*)*

and which is now or may hereafter be in the place or places hereinafter designated, to wit,—

(*Designation of place or places*)*

This security is given under the provisions of section 88 of the *Bank Act*.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*), and the undersigned warrants that the property which may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*).

DATED at_____ the_____ day of

_____, 19____.

_____

*(NOTE—*The description of property and the designation of place or places, or any part thereof, may be set out on the back of the form or in a schedule annexed.)*

SCHEDULE G

(Section 88 (1) (f) or (g))

In consideration of a loan or advance of_____ dollars made to the undersigned by the_____ Bank (hereinafter called "the bank"), for which the bank holds the following note(s) of the undersigned: (*describe the note(s)*), such loan or advance being made for the purchase (*or* the installation *or* the purchase and installation, *as the case may be*) of the property hereinafter described, the undersigned hereby assigns to the bank as security for the payment of the said loan or advance or renewals thereof or substitutions therefor and interest on such loan or advance and on any such renewals and substitutions, the property hereinafter described of which the undersigned is now or may hereafter become the owner, to wit,—

(*Description of property*)*

and which is now or may hereafter be in the place or places hereinafter designated, to wit,—

(*Designation of place or places*)*

This security is given under the provisions of section 88 of the *Bank Act*.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*), and the undersigned warrants that the property which may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*).

DATED at_____ the_____ day of

_____, 19____.

_____

*(NOTE—*The description of property and the designation of place or places, or any part thereof, may be set out on the back of the form or in a schedule annexed.*)*

SCHEDULE H

(*Section 88 (1) (h)—security on all agricultural implements*)

In consideration of a loan or advance of_____ dollars made to the undersigned by the_____ Bank (hereinafter called "the bank"), for which the bank holds the following note(s) of the undersigned: (*describe the note(s)*), such loan or advance being made for (*state the purpose(s) of the loan or advance, being one or more (as the case may be) of those mentioned in section 88 (1) (h)*), the undersigned hereby assigns to the bank as security for the payment of the said loan or advance or renewals thereof or substitutions therefor and interest on such loan or advance and on any such renewals and substitutions, the following property, to wit,—all agricultural implements as defined in the *Bank Act* of which the undersigned is now or may hereafter become the owner and which are now or may hereafter be in the place or places hereinafter designated, to wit,—

(*Designation of place or places*)*

This security is given under the provisions of section 88 of the *Bank Act*.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*), and the undersigned warrants that the property which may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*).

DATED at_____ the_____ day of

_____, 19____.

_____

*(NOTE—*The designation of place or places, or any part thereof, may be set out on the back of the form or in a schedule annexed.*)

SCHEDULE I

(*Section 88 (1) (h)—security on particular agricultural implements*)

In consideration of a loan or advance of_____ dollars made to the undersigned by the_____ Bank (hereinafter called "the bank"), for which the bank holds the following note(s) of the undersigned: (*describe the note(s)*), such loan or advance being made for (*state the purpose(s) of the loan or advance, being one or more (as the case may be) of those mentioned in section 88 (1) (h)*), the undersigned hereby assigns to the bank as security for the payment of the said loan or advance or renewals thereof or substitutions therefor and interest on such loan or advance and on any such renewals and substitutions, the property hereinafter described of which the undersigned is now or may hereafter become the owner, to wit,—

(*Description of property*)*

and which is now or may hereafter be in the place or places hereinafter designated, to wit,—

(*Designation of place or places*)*

This security is given under the provisions of section 88 of the *Bank Act.*

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*), and the undersigned warrants that the property which may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*).

DATED at_____ the_____ day of

_____, 19____.

_____

* (NOTE—*The description of property and the designation of place or places, or any part thereof, may be set out on the back of the form or in a schedule annexed.*)

SCHEDULE J

(*Section 88 (1) (i)*)

For good and valuable consideration, the undersigned hereby assigns to the_____Bank (hereinafter called "the bank") as continuing security for the payment of all loans and advances made or that may be made by the bank to the undersigned up to and including the_____day of_____, 19____, pursuant to the application for credit and promise to give security made by the undersigned to the bank and dated the_____day of_____, 19____, and any application(s) for credit and promise(s) to give security supplemental thereto made or to be made by the undersigned to the bank or renewals of such loans and advances or substitutions therefor and interest on such loans and advances and on any such renewals and substitutions, all property of the kind(s) hereinafter described of which the undersigned is now or may hereafter become the owner, to wit,—

(*Description of property*)*

wherever such property may be; registered vessel(s) and/or recorded vessel(s) being built or equipped or about to be built comprised in the said property being the following:

(*Number, name and port of registry of each registered or recorded vessel*)*

This security is given under the provisions of section 88 of the *Bank Act*.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*), and the undersigned warrants that the property which may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*).

DATED at_____ the_____ day of

_____, 19____.

_____

* (NOTE—*The description of property, or any part thereof, may be set out on the back of the form or in a schedule annexed.*)

SCHEDULE K

(*Section 88 (4)(k)*)

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 88 of the *Bank Act*, to the _____ Bank.

DATED at_____ this_____ day of _____, 19____.

_____

SCHEDULE L

(*Section 82 (2)*)

For good and valuable consideration, the undersigned hereby assigns, transfers and sets over to the_____ Bank (hereinafter called "the bank") as continuing security for the payment of all loans and advances made or that may be made by the bank to (*insert the words "the undersigned" if signatory is the borrower: if not, insert name of borrower*) or renewals of such loans and advances or substitutions therefor and interest on such loans and advances and on any such renewals and substitutions, the following property of which the undersigned is now or may hereafter become the owner, to wit,—

(*Description and location of property of any or all of the kinds mentioned in section 82 of the Bank Act*)*

and the undersigned hereby covenants and agrees to sign and deliver to the bank such other and further assurances by way of transfer or otherwise as the bank may request.

This security is given under the provisions of section 82 of the *Bank Act*.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon other than previous assignments, if any, to the bank (*or as the case may be*), and the undersigned warrants that the property which may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the bank (*or as the case may be*).

DATED at_____ the_____ day of _____, 19____.

_____

* (NOTE—*The description and location of property, or any part thereof, may be set out on the back of the form or in a schedule annexed.*)

SCHEDULE M

(Section 103)

Return of the Assets and Liabilities

of the_____Bank

as at October 31, 19____.

(In Canadian currency; thousands of dollars)

ASSETS

1.	Gold coin and bullion	$
2.	Other coin in Canada	
3.	Other coin outside Canada	
4.	Notes of and deposits with Bank of Canada	
5.	Government and bank notes other than Canadian	
6.	Deposits with other banks in Canadian currency	
7.	Deposits with other banks in currencies other than Canadian	
8.	Cheques and other items in transit, net	
9.	Treasury bills of Canada, at amortized value	
10.	Other securities issued or guaranteed by Canada maturing within three years, at amortized value	
11.	Securities issued or guaranteed by Canada not maturing within three years, at amortized value	
12.	Securities issued or guaranteed by a province of Canada, at amortized value	
13.	Securities issued or guaranteed by a municipal or school corporation in Canada, not exceeding market value	
14.	Securities of other Canadian issuers, not exceeding market value	
15.	Securities of issuers other than Canadian, not exceeding market value	
16.	Mortgages and hypothecs insured under the *National Housing Act, 1954*	
17.	Day, call and short loans to investment dealers and brokers in Canadian currency, secured	
18.	Day, call and short loans to investment dealers and brokers in currencies other than Canadian, secured	
19.	Loans to a province of Canada in Canadian currency	
20.	Loans to a municipal or school corporation in Canada in Canadian currency, less provision for estimated loss	
21.	Other loans in Canadian currency, less provision for estimated loss	
22.	Other loans in currencies other than Canadian, less provision for estimated loss	

22804—15

SCHEDULE M—*Continued*

23. Bank premises at cost, less accumulated depreciation. $
24. Securities of and loans to corporations controlled by the bank.....
25. Customers' liability under acceptances, guarantees and letters of credit, as per contra.....
26. Other assets.....

$

LIABILITIES

1. Deposits by Canada in Canadian currency..... $
2. Deposits by provinces of Canada in Canadian currency
3. Deposits by other banks in Canadian currency.....
4. Deposits by other banks in currencies other than Canadian.....
5. Personal savings deposits payable after notice, in Canada, in Canadian currency.....
6. Other deposits payable after notice, in Canadian currency.....
7. Other deposits payable on demand, in Canadian currency.....
8. Other deposits in currencies other than Canadian.....
9. Advances from Bank of Canada, secured.....
10. Acceptances, guarantees and letters of credit.....
11. Other liabilities.....
12. Debentures issued and outstanding.....
13. Capital paid up.....
14. Rest account.....
15. Undivided profits at latest fiscal year end.....

SUPPLEMENTARY INFORMATION

Aggregate amount of loans to directors and firms of which they are members and loans for which they are guarantors..... $

Amount in currencies other than Canadian included in

Asset 8	Asset 10	Asset 11	Asset 12	Asset 13	Asset 14
$.....	$.....	$.....	$.....	$.....	$.....

Branch returns antedating the last day of the month used in the preparation of this return:

Branch	Date of return

Controlled banking corporations whose assets and liabilities are included in this return.....

SCHEDULE N

(Section 60(2)(a))

Statement of the Assets and Liabilities
of the _____ Bank
as at October 31, 19____.

(In Canadian currency, omitting cents)

ASSETS

1.	Gold and coin	$
2.	Notes of and deposits with Bank of Canada	
3.	Government and bank notes other than Canadian	
4.	Deposits with other banks	
5.	Cheques and other items in transit, net	
6.	Securities issued or guaranteed by Canada, at amortized value	
7.	Securities issued or guaranteed by a province of Canada, at amortized value	
8.	Other securities, not exceeding market value	
9.	Mortgages and hypothecs insured under the *National Housing Act, 1954*	
10.	Day, call and short loans to investment dealers and brokers, secured	
11.	Other loans, less provision for estimated loss	
12.	Bank premises at cost, less accumulated depreciation	
13.	Securities of and loans to corporations controlled by the bank	
14.	Customers' liability under acceptances, guarantees and letters of credit, as per contra	
15.	Other assets	
		$

LIABILITIES

1.	Deposits by Canada	$
2.	Deposits by provinces of Canada	
3.	Deposits by other banks	
4.	Personal savings deposits payable after notice, in Canada, in Canadian currency	
5.	Other deposits	
6.	Advances from Bank of Canada, secured	
7.	Acceptances, guarantees and letters of credit	
8.	Other liabilities	
9.	Debentures issued and outstanding	
10.	Capital paid up	
11.	Rest account	
12.	Undivided profits	
		$

SCHEDULE O

(Section 60(2)(b))

Statement of Revenue, Expenses and Undivided Profits of the _____ Bank for the financial year ended October 31, 19____.

Revenue		
Income from loans	$	
Income from securities		
Other operating revenue		_____
Total Revenue		_____
Expenses		
Interest on deposits and bank debentures		
Salaries, pension fund and other staff benefits		
Property expenses, including depreciation		
Other operating expenses		_____
Total Expenses		_____
Balance of Revenue		
Less: Appropriations for losses on investments and loans		
Less: Provision for income taxes		_____
Balance of profits for the year		
Dividends		_____
Amount carried forward		
Undivided profits at beginning of year		
Transfer from accumulated appropriations for losses on investments and loans	$	
Less income taxes applicable thereto	_____	_____
Transferred to Rest Account		_____
Undivided profits at end of year		_____

Note: Titles should be deleted where there are no amounts to be reported thereunder.

SCHEDULE P

(Section 60(2)(c))

Statement of Accumulated Appropriations for Losses on Investments and Loans of the _____ _____ Bank for the financial year ended October 31, 19____.

Accumulated appropriations at beginning of year.....	
Additions from revenue of the year.....	
Realized net profit or loss on investments.....	
Realized net loss on loans written off.....	
Transferred to tax-paid appropriations.....	_____
Accumulated appropriations at end of year to provide for losses on investments and loans.....	_____

Note: Titles should be deleted where there are no amounts to be reported thereunder.

SCHEDULE Q

(Section 106)

Return of Revenue, Expenses and Other Information of the _____ Bank for the financial year ended October 31, 19____.

(In thousands of dollars)

Revenue

1.	Income from loans	$
2.	Income from securities	
3.	Other operating revenue	
4.	Total Revenue	

Expenses

5.	Interest on deposits and bank debentures	
6.	Salaries, pension fund and other staff benefits	
7.	Property expenses, including depreciation	
8.	Other operating expenses	
9.	Total Expenses	

Supplementary Information

10.	Balance of Revenue	$
11.	Appropriations for losses on investments and loans	
12.	Provision for income taxes	
13.	Balance of profits for the year	
14.	Dividends to shareholders	
15.	Balance to Undivided profits	
16.	Undivided profits at beginning of year	
17.	Transfer from accumulated appropriations for losses on investments and loans	
18.	Income taxes applicable thereto	
19.	Transferred to Rest Account	
20.	Capital profits and non-recurring items, net	
21.	Realized net profit or loss on investments	
22.	Realized net loss on loans written off	
23.	Accumulated appropriations for losses on investments and loans at end of year	

SCHEDULE R

(Section 73 (4))

PART I

Name of Bank

1. Bank of Montreal
   - (*a*) The Montreal Bank
   - (*b*) The Molsons Bank
   - (*c*) The Merchants Bank of Canada
   - (*d*) The Merchants Bank (Quebec charter)
   - (*e*) The Bank of British North America
   - (*f*) The Peoples Bank of New Brunswick
   - (*g*) The People's Bank of Halifax
   - (*h*) The Exchange Bank of Yarmouth
   - (*i*) Commercial Bank of Canada
   - (*j*) The Commercial Bank of the Midland District
   - (*k*) Bank of the People, Toronto

2. The Bank of Nova Scotia
   - (*a*) The Bank of Ottawa
   - (*b*) The Metropolitan Bank
   - (*c*) Bank of New Brunswick
   - (*d*) The Summerside Bank
   - (*e*) Union Bank of Prince Edward Island

3. The Bank of Toronto

4. La Banque Provinciale du Canada
   - (*a*) La Banque Jacques-Cartier

5. The Canadian Bank of Commerce
   - (*a*) The Standard Bank of Canada
   - (*b*) The Sterling Bank of Canada
   - (*c*) Bank of Hamilton
   - (*d*) The Eastern Townships Bank
   - (*e*) The Western Bank of Canada
   - (*f*) The Merchants Bank of Prince Edward Island
   - (*g*) The Halifax Banking Company
   - (*h*) The Bank of British Columbia
   - (*i*) The St. Lawrence Bank
   - (*j*) Gore Bank

6. The Royal Bank of Canada
   - (*a*) Union Bank of Canada
   - (*b*) Union Bank of Lower Canada
   - (*c*) The Northern Crown Bank
   - (*d*) The Quebec Bank
   - (*e*) The Traders Bank of Canada

SCHEDULE R—*Continued*

(*f*) United Empire Bank
(*g*) Union Bank of Halifax
(*h*) The Crown Bank of Canada
(*i*) The Northern Bank
(*j*) Commercial Bank of Windsor
(*k*) Merchants Bank of Halifax
(*l*) The Merchants Bank (Nova Scotia charter)

7. The Dominion Bank

8. Banque Canadienne Nationale
   (*a*) La Banque d'Hochelaga
   (*b*) La Banque Nationale

9. Imperial Bank of Canada
   (*a*) The Weyburn Security Bank
   (*b*) Niagara District Bank

10. Barclays Bank (Canada)

PART II

11. The Home Bank of Canada
12. Banque Internationale du Canada
13. The Bank of Vancouver
14. The Farmers Bank of Canada
15. St. Stephens Bank
16. La Banque de St. Jean
17. La Banque de St. Hyacinthe
18. The Sovereign Bank of Canada
19. Bank of Yarmouth
20. La Banque Ville Marie
21. La Banque du Peuple
22. The Commercial Bank of Manitoba

Notes

1. The names indented under those of banks in Part I are names that have been changed or of banks that have been merged and wound up. The names in Part II are those of banks that have been placed in liquidation and wound up.

2. Notes issued by the Ontario Bank intended for circulation in Canada and outstanding are redeemable by The Royal Trust Company, Toronto.

3. Notes issued by banks other than the Ontario Bank and those enumerated in this Schedule, intended for circulation in Canada and outstanding, are not redeemable.

SCHEDULE S

Declaration Required by Section 118(1)

PART I

I declare that the above return is correct according to the books of the bank.

Dated at_____ this_____ day of

_____,19 ____.

_____

Chief Accountant.

PART II

We declare that the foregoing return, to the best of our knowledge and belief, is correct and presents fairly the information required by section_____of the *Bank Act* according to the latest information available to us.

Dated at_____ this_____ day of

_____, 19____.

_____

President

_____

General Manager.

C-223.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-223.

An Act respecting Savings Banks in the Province of Quebec.

First reading, July 7, 1966.

THE MINISTER OF FINANCE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

23973

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-223.

An Act respecting Savings Banks in the Province of Quebec.

HER 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 *Quebec Savings Banks Act.*

INTERPRETATION.

Definitions.

2. In this Act,

"Bank."

(*a*) "bank" means a bank to which this Act applies;

"Chartered bank."

(*b*) "chartered bank" means a bank to which the *Bank Act* applies;

"District of Montreal."

(*c*) "district of Montreal" means the area in the Province of Quebec included in the judicial districts of Montreal, Hull, Pontiac, Témiscamingue, Terrebonne, Joliette, Labelle, Richelieu, St. Francis, Bedford, St. Hyacinthe, Iberville and Beauharnois, as constituted at the coming into force of this Act;

"District of Quebec."

(*d*) "district of Quebec" means the area in the Province of Quebec included in the judicial districts of Quebec, Three Rivers, Saguenay, Chicoutimi, Roberval, Nicolet, Gaspé, Bonaventure, Rimouski, Kamouraska, Montmagny, Beauce, Arthabaska, Abitibi and Rouyn-Noranda, as constituted at the coming into force of this Act;

"Goods, wares and merchandise."

(*e*) "goods, wares and merchandise" means "goods, wares and merchandise" as defined in the *Bank Act;*

"Inspector."

(*f*) "Inspector" means the Inspector General of Banks appointed under the *Bank Act;*

Explanatory Notes.

This Bill is the decennial revision of the *Quebec Savings Banks Act*. The power of the savings banks to carry on business will expire under the present Act, as amended, not later than the 60th sitting day of Parliament after November, 1966. Under the terms of the Bill, the banks will be empowered to carry on business for a further ten years.

The references below are references to the corresponding provisions of the present Act.

1. Section 1.

2. Section 2.

"Minister."

(*g*) "Minister" means the Minister of Finance;

"Recorded address."

(*h*) "recorded address" means

(i) in relation to a person as a shareholder, his last known post office address according to the register of shareholders of the bank, and

(ii) in relation to a person in any other respect, his last known post office address according to the records of the branch concerned; and

"Securities."

(*i*) "securities" includes

(i) bonds, debentures and obligations of or guaranteed by governments, corporations or unincorporated bodies, whether such corporations and unincorporated bodies are governmental, municipal, school, ecclesiastical, commercial or other, secured on real or personal, immovable or movable property or unsecured, and rights in respect of such bonds, debentures and obligations,

(ii) equipment trust certificates or obligations, and

(iii) all documents, instruments and writings commonly known as securities,

whether issued within or outside Canada, but does not include shares of capital stock of corporations or rights in respect of such shares.

Public notice.

3. (1) Where by this Act any public notice is required to be given, the notice shall, unless otherwise specified, be given by publishing the notice in one or more newspapers published at the place where the head office of the bank is situated; and the notice shall be published in both the English and French languages.

Sufficiency of publication.

(2) Where 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, is a sufficient publication for the purposes of this Act.

Notice of call.

(3) Where by this Act notice of any call is required to be given to the shareholders the notice is, unless otherwise specified, sufficiently given by mailing the notice, registered and post paid, to the recorded address of the respective shareholders at least thirty days prior to the day on which the call is payable.

APPLICATION.

Banks to which Act applies.

4. This Act applies to

(*a*) The Montreal City and District Savings Bank, and

3. Section 3.

4. Section 4.

(*b*) La Banque d'Economie de Québec, The Quebec Savings Bank.

CHARTERS.

Charters continued.

5. The charter of each bank is continued.

Duration of authority to carry on business.

6. Subject to this Act,

(*a*) if Parliament sits on at least twenty days during the month of June, 1976, the bank may carry on the business of banking until the 1st day of July, 1976, and no longer; and

(*b*) if Parliament does not sit on at least twenty days during the month of June, 1976, the bank may carry on the business of banking until the sixtieth sitting day of Parliament next thereafter, and no longer.

Inconsistencies in charter.

7. The provisions of the charter of the bank are inapplicable

(*a*) to the extent that there is any inconsistency between the provisions of the charter and the provisions of this Act; and

(*b*) in respect of any matter for which provision is made by this Act.

Head office.

8. (1) The head office of The Montreal City and District Savings Bank shall be in the City of Montreal and the bank may open branches within the district of Montreal.

Alternate name.

(2) The Montreal City and District Savings Bank may carry on business pursuant to this Act under that name and under the name "La Banque d'Epargne de la Cité et du District de Montréal".

Head office.

9. (1) The head office of La Banque d'Economie de Québec, The Quebec Savings Bank, shall be in the City of Quebec and the bank may open branches within the district of Quebec.

Alternate names.

(2) La Banque d'Economie de Québec, The Quebec Savings Bank, may carry on business pursuant to this Act under that name and under the names

(*a*) La Banque d'Economie de Québec, and

(*b*) The Quebec Savings Bank.

INTERNAL REGULATIONS.

Shareholders.

By-laws.

10. (1) Subject to this Act, the shareholders of the bank may make by-laws with respect to the following matters, namely:

5. Section 5.

6. Section 6.

7. Section 7.

8. Section 8.

9. Section 9.

10. Section 10.

(*a*) the day upon which the annual general meeting of the shareholders shall be held, which shall be a day not more than fifteen months after the holding of the last annual general meeting;

(*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 directors, which shall be not less than five, and the quorum thereof, which shall be not less than three;

(*d*) the qualifications of directors;

(*e*) the method of filling vacancies in the board of directors;

(*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;

(*h*) the amount of discounts or loans that may be made to directors, either jointly or severally, or to any one person, or to any shareholder; and

(*i*) the establishment of guarantee and pension funds for the officers and employees of the bank and corporations of which the bank owns all the issued and outstanding capital stock except the qualifying shares of directors, and the families of such officers and employees, and the making of contributions thereto out of the funds of the bank.

When by-laws may be made.

(2) By-laws authorized by this Act may be made by the shareholders at any annual general meeting or at any special general meeting duly called for the purpose.

Existing by-laws continued.

(3) Until it is otherwise prescribed by by-law under this Act, the by-laws of the bank with respect to any matter set out in subsection (1), in force at the commencement of this Act, remain in force.

Directors.

Management.

11. The bank shall be under the management of a board of directors elected or appointed in accordance with this Act.

Qualifications.

12. (1) A person is not eligible to be a director unless he holds as the absolute and sole owner thereof in his individual right and not as trustee or in the right of another at least five hundred fully-paid shares of the capital stock of the bank.

Canadian citizens.

(2) At least three-quarters of the directors shall be Canadian citizens ordinarily resident in Canada.

11. Section 11.

12. Section 12.

Idem.

(3) The election or appointment of any person as a director is void if the composition of the board of directors would as a result thereof fail to comply with subsection (2).

Age of directors.

(4) After the first day of July, 1970, a person is not eligible to be elected or appointed a director if he has reached the age of seventy-five years.

Election of directors.

13. (1) The directors shall be elected by the shareholders at the annual general meeting.

Annual general meeting.

(2) The annual general meeting shall be held at the place where the head office of the bank is situated.

Notice.

(3) Public notice of the annual general meeting shall be given by the directors by publishing the notice, for at least four weeks prior to the time of holding the meeting, in a newspaper published at the place where the head office of the bank is situated, and by mailing a copy of the notice to each shareholder at his recorded address at least twenty days prior to the time of holding the meeting.

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 the directors, but if at any election two or more persons have an equal number of votes, and there are not sufficient vacancies remaining in the board of directors to enable all the persons having an equal number of votes to be elected, 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 persons so having an equal number of votes shall be a director or directors.

Postponed elections.

14. Where an election of directors is not made on the day appointed for that purpose, the election may take place on any other day, according to the by-laws, and, subject to this Act, the directors in office on the day appointed for the election of directors remain in office until new directors are elected or appointed.

Removal of director.

15. (1) The shareholders may, at any special general meeting of the shareholders called for the purpose, remove any director.

Disqualification of director.

(2) A director ceases to be a director if

(*a*) he ceases to fulfil the requirements of subsection (1) of section 12 with respect to holdings of stock;

(*b*) he becomes insolvent, or makes an assignment for the benefit of his creditors, or absents himself, without the consent of the board for twelve consecutive months from the meetings of the directors, or is convicted of an indictable offence; or

13. Section 13.

14. Section 18.

15. Section 14.

(*c*) he ceases to be a Canadian citizen ordinarily resident in Canada and as a result thereof the composition of the board of directors ceases to comply with subsection (2) of section 12.

Election of officers.

16. (1) The directors shall elect by ballot from their number a president and one or more vice-presidents.

Termination of office.

(2) A person elected to an office under this section ceases to hold that office if he ceases to be a director.

Filling of vacancies.

17. (1) Where a vacancy occurs in the board of directors, it shall be filled in the manner prescribed in the by-laws.

Canadian citizens.

(2) Where by reason of a vacancy in the board of directors the composition of the board fails to comply with subsection (2) of section 12, the directors shall, if the vacancy has not within sixty days of the occurrence thereof been filled under subsection (1), forthwith fill the vacancy.

Power of remainder to act.

(3) A vacancy in the board of directors does not impair the right of the remaining directors to act.

President and vice-president.

18. When a vacancy occurs in the office of the president or vice-president, the directors shall from their number elect a president or a vice-president.

Meetings of directors.

19. (1) The president or, in his absence, a vice-president shall preside at all meetings of the directors.

Temporary chairman.

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

Casting vote.

(3) The person presiding pursuant to this section has a vote as a director, and if there is an equal division on any question, also has a casting vote.

General powers of directors.

20. (1) The directors shall administer the affairs of the bank and may make by-laws with respect to any matter except a by-law increasing the aggregate of the amounts, fixed by a shareholders' by-law, to be paid to the president, vice-president and other directors as remuneration.

Confirmation of directors' by-laws.

(2) Subject to subsection (3), where a by-law made under subsection (1) provides for a matter that the shareholders may provide for by by-law, the by-law, to the extent that it so provides, ceases to have effect at the conclusion of the annual general meeting of the shareholders next ensuing after it is made unless it is confirmed by the shareholders.

16. Section 15.

17. Section 16.

18. Section 17.

19. Section 19.

20. Section 20.

Idem.

(3) Where a special general meeting, called for the purpose of confirming a by-law made under subsection (1) or called for that and any other purpose, is held before the next following annual general meeting, the by-law ceases to have effect at the conclusion of the special general meeting unless it is confirmed at that special general meeting, and subsection (2) does not apply to a by-law that is so confirmed.

Existing by-laws continued.

(4) Subject to subsections (2) and (3), until it is otherwise prescribed by by-law under this Act, the by-laws made by the directors with respect to any matter with respect to which they may make by-laws under this section, in force at the commencement of this Act, remain in force.

Appointment of officers and employees.

21. (1) The directors may appoint as many officers and employees as they 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) Officers and employees appointed under subsection (1) may be paid such salaries and allowances as the directors or appointing officer determine.

Meetings of Shareholders.

Special general meetings.

22. 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;

and the directors or shareholders shall give six weeks' previous public notice of the meeting, specifying therein the object of the meeting, and the meeting shall be held at the place where the head office of the bank is situated.

One vote for each share.

23. (1) Subject to this Act, every shareholder has, on all occasions on which the votes of the shareholders are taken, one vote for each share held by him for at least ninety days immediately before the time of the meeting.

Ballot.

(2) In all cases where 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.

21. Section 21.

22. Section 22.

23. Section 23.

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, except as to the election of a director, he has a casting vote.

Joint holders of shares.

(5) Subject to this Act, where two or more persons are joint holders of shares, any one of the joint holders may be authorized, by power of attorney from the other joint holder or holders, or a majority of them, to represent the 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.

Idem.

(7) Neither the general manager nor any officer or employee subordinate to the general manager shall hold a proxy for the purpose of voting.

Calls must be paid before voting.

(8) 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 that are then due and payable.

CAPITAL STOCK.

Capital stock.

24. (1) Subject to section 25,

(*a*) the authorized capital stock of The Montreal City and District Savings Bank is two million dollars divided into shares of one dollar each, and

(*b*) the authorized capital stock of La Banque d'Economie de Québec, The Quebec Savings Bank, is one million dollars divided into shares of one dollar each.

Par value of registered shares.

(2) The registered owner of each share of ten dollars each of the capital stock of each of the said banks shall be deemed to be the registered owner of ten shares of one dollar each.

Increase of capital.

25. (1) The authorized capital stock of the bank may be increased by by-law of the shareholders.

Approval by Governor in Council.

(2) No by-law under this section comes into operation or has force or effect until approved by the Governor in Council.

Conditions for approval.

(3) No approval shall be given by the Governor in Council under subsection (2) 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 Governor in Council that a copy of the by-law, together with notice of intention to apply for the approval,

24. Section 24.

25. Section 25.

has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the head office of the bank is situated.

Governor in Council may refuse.

(4) Nothing in this section shall be construed to prevent the Governor in Council from refusing to approve a by-law under this section.

Offer of shares of capital stock.

26. Any of the original unsubscribed capital stock or of the increased capital stock shall be offered to the persons who are shareholders according to the books of the bank, pro rata, at such price not less than par, at such time and on such terms as the directors determine, except that

(*a*) the price of the stock shall be paid in money;

(*b*) payment shall not be required in greater amounts or at shorter intervals than ten per cent of the price every thirty days;

(*c*) no share need be offered to a shareholder whose recorded address is in a country outside Canada, where, to the knowledge of the directors, the offer ought not to be made unless the appropriate authority in that country is furnished with information other than that contained in the statement submitted to the shareholders at the last annual general meeting and in any return under section 91 made by the bank after that meeting and more than sixty days before the date of the offer but the directors may offer shares to such a shareholder or may in lieu of such an offer provide for him such rights in respect of shares as the directors determine, and such offers of shares or provision of rights may, subject to paragraphs (*a*), (*b*), (*d*) and (*e*), be on terms different except as to price from those of the offer to or provision for shareholders whose recorded addresses are elsewhere than in such country;

(*d*) no share shall be offered to a shareholder from whom a subscription for a share could not, by reason of paragraph (*a*) of subsection (4) of section 46, be accepted by the bank; and

(*e*) no fraction of a share shall be offered and no rights in respect of a fraction of a share shall be provided.

Notice of offer.

27. The offer shall be mailed to the shareholder at his recorded address and the directors shall, in the offer, fix a date, not earlier than the ninetieth day after the day on which the offer is mailed, by which the offer is to be accepted

23973—2

26. Section 26.

27. Section 27.

by the shareholder or, unless the directors have prohibited the transfer of the rights under the offer, by any transferee thereof.

Disposal of shares.

28. (1) Where, under section 26,

(*a*) shares are offered but not subscribed for or rights in respect of shares are provided but not exercised, or

(*b*) shares or fractions of shares are not offered and rights in respect thereof are not provided,

the shares may, subject to this Act, be disposed of in such manner and on such terms as the directors determine, except that no share shall be sold at less than par.

Distribution of proceeds.

(2) If the average net proceeds per share of the disposal of shares under subsection (1) exceeds the price per share fixed by the directors under section 26, there shall be paid,

(*a*) to each shareholder to whom shares were offered but not subscribed for or for whom rights in respect of shares were provided but not exercised, the amount of such excess multiplied by the number of such shares;

(*b*) to each shareholder to whom shares were not offered by reason of paragraph (*c*) or (*d*) of section 26 and for whom rights in respect of shares were not provided in lieu thereof, the amount of such excess multiplied by the number of such shares; and

(*c*) to each shareholder to whom a fraction of a share was not offered and for whom rights in respect of a fraction of a share were not provided by reason of paragraph (*e*) of section 26, the amount of such excess multiplied by such fraction.

Stock books.

29. For the purpose of disposing of shares under section 26 or 28, the directors shall cause stock books to be opened at the head office of the bank and elsewhere in their discretion and each person acquiring shares who, prior to the time of acquisition, is not a shareholder shall, at that time, give his post office address and occupation and these particulars shall appear in the stock books in connection with the name of the person and the number of shares acquired.

Allotment of shares not income.

30. Notwithstanding any other Act, the amount or value of any money, benefit or advantage received by a shareholder as the result of an offer, allotment or distribution pursuant to sections 26 and 28 shall not be included in computing the income of the shareholder.

28. Section 28.

29. Section 29.

30. Section 30.

SHARES AND CALLS.

Shares personality.

31. The shares of the capital stock of the bank are personal property.

Calls on shares.

32. (1) The directors may make such calls of money from the several shareholders for the time being, upon the amounts remaining unpaid in respect of the shares subscribed for by them respectively, as they find necessary.

Number.

(2) Any number of calls may be made by one resolution.

Time of payment.

(3) Calls shall be payable at intervals of not less than thirty days.

otice.

(4) Notice of calls shall be given to the shareholders.

Amount.

(5) Subject to this Act, no call shall exceed ten percent of the amount subscribed in respect of each share.

Calls when capital lost.

33. (1) Where 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 in an amount equal to the amount of the loss or the amount of the subscription price of the stock remaining unpaid, whichever is the lesser.

Report to Minister.

(2) The directors shall forthwith report to the Minister the amount of any loss to which this section refers and the calls, if any, made in respect thereof.

Recovery of calls.

34. In case of the non-payment of a call or of an instalment under a subscription for shares, the directors may, in the name of the bank, sue for and recover the amount of the call or instalment, or may declare the shares in respect of which default is made to be forfeited to the bank in accordance with section 35.

Forfeiture of shares.

35. (1) Where a shareholder fails to pay an instalment or call upon his shares of the capital stock of the bank when it is due, and thereafter fails to make the payment on or before a day fixed in a notice directed to him in accordance with the by-laws or a resolution of the directors, the directors may, by resolution, declare forfeited the shares in respect of which the payment is in default.

Sale of forfeited shares.

(2) Shares declared forfeited under subsection (1) become, by such declaration, the property of the bank, and the directors shall, before the expiry of six months from the declaration, sell them to such persons, in such manner and on such terms as they may determine.

31. Section 31.

32. Section 32.

33. Section 33.

34. Section 34.

35. Section 35.

Liability of former shareholder.

(3) Notwithstanding the forfeiture of shares under this section, the shareholder who immediately prior to the forfeiture was the holder of the shares, continues to be liable to the bank for the amount of the subscription price of the shares that was unpaid at the time of forfeiture, less such amounts as are subsequently received by the bank in respect of the shares.

Recovery by action.

36. In any action brought to recover any money due on any instalment or call, it is not necessary to set forth the special matter in the declaration or statement of claim, but it is sufficient to allege that the defendant is the holder of one share or more, as the case may be, of 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, and it is not necessary, in any such action, to prove the appointment of the directors.

TRANSFER AND TRANSMISSION OF SHARES.

Shares transferable.

37. (1) Shares of the capital stock of the bank are transferable in such manner and subject to such conditions as are prescribed by this Act or by by-law.

Fractions.

(2) No fraction of a share is transferable.

Register of shareholders.

38. (1) The bank shall keep in Canada a register of shareholders recording the names and post office addresses of its shareholders and the number of shares held by each.

Register of transfers.

(2) The bank shall keep a register or registers of transfers in which transfers of shares may be made or recorded and transmissions of shares may be recorded in accordance with such provisions in respect thereof as the directors may see fit to make.

Extract from register of shareholders.

(3) The bank shall keep on record at each place where a register of transfers of the bank is kept, an extract from the register of shareholders showing, as at a date not more than four months earlier,

(*a*) the name of each shareholder who holds shares of the capital stock of the bank having an aggregate par value of more than five thousand dollars;

(*b*) the place of the recorded address of each such shareholder; and

(*c*) the number of shares held by him.

Inspection of register and extract.

(4) A register of transfers and an extract from the register of shareholders referred to in subsection (3) may, during banking hours, be inspected by any shareholder or by his representative authorized in writing.

36. Section 36.

37. to **44.** Replacing Sections 37 to 42.

Discontinuance of register of transfers.

(5) The directors may discontinue any register of transfers, but there shall be at least one register of transfers in Canada.

Agents.

(6) The directors may appoint agents for the keeping of the register of shareholders and any register of transfers and the making of entries therein.

Transfer of shares.

39. Unless otherwise provided by by-law, no transfer of shares of the capital stock of the bank is valid unless

(*a*) it is made in a register of transfers of the bank; and

(*b*) the person making the transfer has, if required by the bank, previously discharged all his debts and liabilties to the bank that exceed in amount the then market value of the remaining shares, if any, belonging to such person.

Requirements for valid transfer.

40. (1) Unless under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, all sales or transfers of shares, and all contracts and agreements in respect thereof, made or purporting to be made, are null and void if the person making the sale or transfer, or the person in whose name or on whose behalf the sale or transfer is made, at the time of the sale or transfer

(*a*) is not 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 not the registered owner's assent to the sale or transfer.

Purchaser's rights preserved.

(2) Nothing in subsection (1) affects the rights and remedies, under any contract of sale that does not comply with the conditions and requirements mentioned in that subsection, of any purchaser who has no knowledge of such non-compliance.

Transfer to be recorded.

41. (1) Where under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, no transfer of shares is, until it has been duly recorded in a register of transfers of the bank, valid for any purpose whatever, save only as exhibiting the rights of the parties thereto towards each other, and if absolute of rendering any transferee jointly and severally liable with the transferor to the bank and its creditors.

37. to **44.** Replacing Sections 37 to 42.

Delivery of certificate a valid transfer.

(2) Notwithstanding subsection (1), the delivery of a certificate for fully paid shares the transfer of which need not be made in the books of the bank, with a duly executed transfer endorsed thereon or delivered therewith, constitutes a valid transfer of the shares comprised therein, if such shares are listed on any recognized stock exchange at the time of such delivery, but, until the transfer of the shares has been duly recorded in a register of transfers of the bank, the bank shall treat the registered holder of the shares as being solely entitled to receive notice of and to vote at meetings of shareholders and to receive any payment in respect of such shares whether by way of dividend or otherwise.

Sale of shares under process.

42. (1) When a share of the capital stock of the bank has been sold under a writ of execution or under the decree, order or judgment of a court, the transfer of the share from the registered holder thereof to the purchaser at the sale shall be recorded in a register of transfers of the bank but only after receipt by the bank of an attested copy of the writ, decree, order or judgment bearing a certificate signed by the officer who conducted the sale certifying to whom the sale was made, or other evidence satisfactory to the bank of the sale and the identity of the purchaser, and after the discharge of all debts and liabilities to the bank of the registered holder of the share and of all liens thereon in favour of the bank and, where under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, after surrender to the bank of the certificate for the share.

Effect of recording sale under process.

(2) Where it is necessary that transfers of shares of its capital stock be made in the books of the bank, a transfer recorded in accordance with subsection (1) shall have the same effect as though it were a valid transfer made in the books of the bank by the registered holder of the share.

Transmission of share by operation of law.

43. (1) Where the transmission of a share of the capital stock of the bank takes place by operation of law otherwise than because of the death of a shareholder, the bank shall be furnished with an affidavit or declaration in writing in form satisfactory to it signed by or on behalf of a person claiming under the transmission stating the nature and effect of the transmission together with any corroborative evidence that the bank may request, and where under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, with the certificate for the share, and thereupon the transmission shall be recorded in a register of transfers of the bank.

37. to **44.** Replacing Sections 37 to 42.

Exercise of rights as shareholder.

(2) Until the transmission has been recorded in a register of transfers of the bank, no person claiming a share by virtue thereof is entitled to receive notice of or vote at meetings of shareholders or to receive any payment in respect of such share whether by way of dividend or otherwise.

Transmission by decease.

44. (1) Where the transmission of a share of the capital stock of the bank takes place because of the death of a shareholder, the delivery to the bank

(*a*) of an affidavit or declaration in writing in form satisfactory to the bank signed by or on behalf of a person claiming by virtue of the transmission stating the nature and effect of the transmission,

(*b*) when the claim is based on

(i) a will or other testamentary instrument or on a grant of probate thereof or on such a grant and letters testamentary or other document of like import or on a grant of letters of administration or other document of like import, purporting to be issued by any court or authority in Canada or elsewhere, of an authenticated copy or certificate thereof under the seal of the court or authority without proof of the authenticity of the seal or other proof, or

(ii) a notarial will, of an authenticated copy thereof, and

(*c*) if under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank, of the certificate for the share,

is sufficient justification and authority for paying any dividend and for recording and giving effect to the transmission in accordance with the claim.

Exercise of rights of claimants.

(2) Until the transmission has been recorded in a register of transfers of the bank, no person claiming a share by virtue thereof is entitled to receive notice of or vote at meetings of shareholders or to receive any payment in respect of such share whether by way of dividend or otherwise.

37. to **44.** Replacing Sections 37 to 42.

Definitions.

45. (1) In this section and sections 46 to 49,

"Agent."

(*a*) "agent" means

(i) in relation to Her Majesty in right of Canada or in right of a province, any agent of Her Majesty in either such right and includes a municipal or public body empowered to perform a function of government in Canada or any corporation empowered to perform a function or duty on behalf of Her Majesty in either such right, but does not include a person in the course of performing a function or duty in connection with

(A) the administration or management of the estate or property of an individual, or

(B) the administration, management or investment of a fund established to provide compensation, hospitalization, medical care, annuity, pension or similar benefits to particular classes of individuals, or moneys derived from such a fund, and

(ii) in relation to the government of a foreign state or any political subdivision thereof, a person empowered to perform a function or duty on behalf of the government of a foreign state or any political subdivision thereof other than a function or duty in connection with the administration or management of the estate or property of an individual;

"Corporation."

(*b*) "corporation" includes an association, partnership or other organization;

"Non-resident."

(*c*) "non-resident" means

(i) an individual who is not ordinarily resident in Canada,

(ii) a corporation incorporated, formed or otherwise organized, elsewhere than in Canada,

(iii) the government of a foreign state or any political subdivision thereof, or an agent of either,

45. *New.*

(iv) a corporation that is controlled directly or indirectly by non-residents as defined in any of subparagraphs (i) to (iii),

(v) a trust

(A) established by a non-resident as defined in any of subparagraphs (ii) to (iv) other than a trust for the administration of a pension fund for the benefit of individuals a majority of whom are residents, or

(B) in which non-residents as defined in any of subparagraphs (i) to (iv) have more than fifty per cent of the beneficial interest, or

(vi) a corporation that is controlled directly or indirectly by a trust defined in subparagraph (v) as a non-resident; and

"Resident." (*d*) "resident" means an individual, corporation or trust that is not a non-resident.

Associated shareholder. (2) For the purposes of sections 46 to 49, a shareholder is, except as provided by subsection (6), deemed to be associated with another shareholder if

(*a*) one shareholder is a corporation of which the other shareholder is an officer or director;

(*b*) one shareholder is a partnership of which the other shareholder is a partner;

(*c*) one shareholder is a corporation that is controlled directly or indirectly by the other shareholder;

(*d*) both shareholders are corporations and one shareholder is controlled directly or indirectly by the same government in Canada, foreign government or individual or corporation that controls the other shareholder;

(*e*) both shareholders are members of a voting trust where the trust relates to shares of the bank; or

(*f*) both shareholders are associated within the meaning of paragraphs (*a*) to (*e*) with the same shareholder.

Meaning of "shareholder" and shares being "held." (3) For the purposes of this section and sections 46 to 49, a "shareholder" is a person who according to the books of the bank is the holder of one or more shares of the capital stock of the bank and a reference in sections 46 to 49 to a share being held by or in the name of any person is a reference to his being the holder of the share according to the books of the bank.

Shares held jointly.

(4) For the purposes of sections 46 to 49, where a share of the capital stock of the bank is held jointly and one or more of the joint holders thereof is a non-resident, the share is deemed to be held by a non-resident.

Change of status of resident corporation or trust.

(5) Where after the coming into force of this Act a corporation or trust that was at any time a resident becomes a non-resident, any shares of the capital stock of the bank acquired by the corporation or the trust while it was a resident and held by it while it is a non-resident shall be deemed, for the purposes of sections 46 and 47, to be shares held by a resident for the use or benefit of a non-resident.

Exceptions.

(6) Notwithstanding subsection (2)

(*a*) where one shareholder who is a resident and who, but for this paragraph, would be deemed to be associated with another shareholder submits to the bank a declaration stating that none of the shares of the capital stock of the bank held by him or to be held by him is or will be, to his knowledge, held in the right of, or for the use or benefit of, himself or any person with whom, but for this paragraph, he would be deemed to be associated, neither shareholder is deemed to be associated with the other so long as the shares of the capital stock of the bank from time to time held by the shareholder who made the declaration are not held contrary to the statements made in the declaration;

(*b*) two shareholders that are corporations and at least one of which is a resident, shall not be deemed to be associated with each other by virtue of paragraph (*f*) of subsection (2) by reason only that each is deemed under paragraph (*a*) of that subsection to be associated with the same shareholder; and

(*c*) where it appears from the register of shareholders of the bank that the total par value of the shares of the capital stock of the bank held by a shareholder is not more than five thousand dollars, he shall not be deemed to be associated with any other shareholder and no other shareholder shall be deemed to be associated with him.

Limit on shares held by non-residents.

46. (1) The bank shall refuse to allow a transfer of a share of the capital stock of the bank to a non-resident to be made or recorded in a register of transfers of the bank

(*a*) if, when the total number of shares of the capital stock of the bank held by non-residents exceeds twenty-five per cent of the total number of the issued and outstanding shares of such stock, the transfer would increase the percentage of such shares held by non-residents; or

(*b*) if, when the total number of shares of the capital stock of the bank held by non-residents is twenty-five per cent or less of the total number of the issued and outstanding shares of such stock, the transfer would cause the total number of such shares held by non-residents to exceed twenty-five per cent of the total number of the issued and outstanding shares of such stock.

Limit on shares held by any person.

(2) The bank shall refuse to allow a transfer of a share of the capital stock of the bank to any person to be made or recorded in a register of transfers of the bank

(*a*) if, when the total number of shares of the capital stock of the bank held by such person and by other shareholders associated with him, if any, exceeds ten per cent of the total number of the issued and outstanding shares of such stock, the transfer would increase the percentage of such shares held by such person and by other shareholders associated with him, if any; or

(*b*) if, when the total number of shares of the capital stock of the bank held by such person and by other shareholders associated with him, if any, is ten per cent or less of the total number of the issued and outstanding shares of such stock, the transfer would cause the total number of such shares held by such person and by other shareholders associated with him, if any, to exceed ten per cent of the issued and outstanding shares of such stocks.

No shares to be transferred to a government.

(3) The bank shall refuse to allow a transfer of a share of the capital stock of the bank to

(*a*) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right, or

46. *New.*

(*b*) the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof,

to be made or recorded in a register of transfers of the bank.

Issue of shares.

(4) The bank shall not accept a subscription for a share of the capital stock of the bank

(*a*) by Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right or by the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof; or

(*b*) except as otherwise provided in subsection (5), in circumstances where if the subscription were a transfer of the share the bank would be required under subsection (1) or (2) to refuse to allow the transfer to be made or recorded; but in the case of a subscription pursuant to an offer under section 26 the bank may count as shares issued and outstanding all the shares included in the offer.

Conditional offer of shares.

(5) Subject to paragraph (*a*) of subsection (4), where an offer of shares of the capital stock of the bank is made under section 26, the bank may accept any subscription

(*a*) if the terms of the offer contain provisions to the effect that in the case of a share offered to a shareholder whose recorded address, at the time fixed for determining the shareholders to whom the offer is made, is a place within Canada and who is not at that time, to the knowledge of the bank, a non-resident, a subscription will not be accepted if the share is to be recorded in the name of a non-resident;

(*b*) if the subscription is accompanied by a declaration by the subscriber

(i) as to whether the person in whose name the share is to be recorded is a resident or a non-resident, and

(ii) to the effect that the total number of shares of the capital stock of the bank that will, if the subscription is accepted, be held by such person and by other

shareholders associated with him, if any, will not exceed ten per cent of the total number of the shares of the capital stock of the bank that will be issued and outstanding on the issue of all shares included in the offer; and

(*c*) if, on the basis of such declaration, the acceptance of the subscription is not contrary to the terms of the offer.

Transfers by nominees.

(6) Notwithstanding subsections (1) and (2), the bank may allow a transfer of any share of the capital stock of the bank to be made or recorded in a register of transfers where the transfer is from a resident to a non-resident and it is shown to the bank on evidence satisfactory to it that the share was on the 22nd day of September, 1964, held by the resident in the right of or for the use or benefit of the non-resident.

Saving.

(7) Default in complying with the provisions of this section does not affect the validity of a transfer of a share of the capital stock of the bank that has been made or recorded in a register of transfers of the bank or the validity of the acceptance of a subscription for a share of the capital stock of the bank.

Voting by resident nominees of non-residents prohibited.

47. (1) Notwithstanding section 23, and except as provided in section 49, where a resident holds shares of the capital stock of the bank in the right of, or for the use or benefit of, a non-resident, the resident shall not, in person or by proxy, exercise the voting rights pertaining to those shares.

Suspension of voting rights.

(2) Notwithstanding section 23, and except as provided in section 49, where the total of

(*a*) the number of shares of the capital stock of the bank held in the name or right of or for the use or benefit of a person, and

(*b*) the number of shares of the capital stock of the bank held in the name or right of or for the use or benefit of

(i) any shareholders associated with the person mentioned in paragraph (*a*), or

(ii) any other person who would be deemed under subsection (2) of section 45 to be associated with the person mentioned in paragraph (*a*), if both he and such other person were shareholders,

exceeds ten per cent of the issued and outstanding shares of such stock,

(*c*) no person shall, in person or by proxy, exercise the voting rights pertaining to any of the shares referred to in paragraph (*a*) that are held in the name of a resident, and

47. *New.*

(*d*) no person shall, in person or as proxy, exercise the voting rights pertaining to any of the shares referred to in paragraph (*a*) that are held in the name of a non-resident.

Voting rights of shares held by government.

(3) Notwithstanding section 23, and except as provided in section 49, the voting rights pertaining to any shares of the capital stock of the bank shall not be exercised when the shares are held in the name or right of or for the use or benefit of

(*a*) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right;

(*b*) the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof; or

(*c*) a person administering, managing or investing any fund or moneys referred to in clause (B) of subparagraph (i) of paragraph (*a*) of subsection (1) of section 45.

Presumption by person acting as proxy.

(4) Where it appears from the register of shareholders of the bank that the total par value of the shares of the capital stock of the bank held by a shareholder is not more than five thousand dollars, a person acting as proxy for the shareholder at a general meeting of the bank is entitled to assume that the shareholder holds the shares in his own right and for his own use and benefit, unless the knowledge of the person acting as proxy is to the contrary.

Effect of contravention.

(5) If any provision of this section is contravened at a general meeting of the shareholders of the bank, no proceeding, matter or thing at that meeting is void by reason only of such contravention, but any such proceeding, matter or thing is, at any time within nine months from the day of commencement of the general meeting at which the contravention occurred, voidable at the option of the shareholders by a resolution passed at a special general meeting of the shareholders.

By-laws.

48. (1) The directors may make such by-laws as they deem necessary to carry out the intent of sections 45 to 49 and in particular, but without restricting the generality of the foregoing, the directors may make by-laws

(*a*) requiring any person in whose name a share of the capital stock of the bank is held to submit a declaration

(i) with respect to the ownership of such share,

(ii) with respect to the place in which the shareholder and any person in whose right or for whose use or benefit the share is held are ordinarily resident,

48. *New.*

(iii) whether the shareholder is associated with any other shareholder, and

(iv) with respect to such other matters as the directors may deem relevant for the purposes of sections 45 to 49;

(*b*) requiring any person desiring to have a transfer of a share to him made or recorded in a register of transfers of the bank or desiring to subscribe for a share of the capital stock of the bank to submit such a declaration as may be required pursuant to this section in the case of a shareholder; and

(*c*) providing for the determination of the circumstances in which any declarations shall be required, their form and the times at which they are to be submitted.

Where declaration pending.

(2) Where pursuant to any by-law made under subsection (1) any declaration is required to be submitted by any shareholder or person in respect of the transfer of or subscription for any share, the bank may refuse to allow such transfer to be made or recorded in a register of transfers of the bank or to accept such subscription without the submission of the required declaration.

Reliance upon information.

(3) The bank and any person who is a director, officer, employee or agent of the bank, may rely upon any information contained in a declaration required by the bank pursuant to this section or any information otherwise acquired in respect of any matter that might be the subject of such a declaration; and no action lies against the bank or any such person for anything done or omitted in good faith in reliance upon any such information.

Computing non-resident holdings.

(4) Where for any of the purposes of section 46, the bank requires to establish the total number of shares of the capital stock of the bank held by non-residents, the bank may calculate the total number of such shares held by non-residents to be the total of

(*a*) the number of shares held by all shareholders whose recorded addresses are places outside Canada; and

(*b*) the number of shares held by all shareholders each of whose aggregate individual holdings of such shares has a par value of more than five thousand dollars and whose recorded addresses are places within Canada but who to the knowledge of the bank are non-residents;

and such calculation may be made as of a date not earlier than the day of commencement of this Act or four months before the day on which the calculation is made, whichever is the later date.

Limiting transfers.

(5) Where by any calculation made under subsection (4) the total number of shares held by non-residents is under twenty-five per cent of the total issued and outstanding shares of the capital stock of the bank, the number of shares the transfer of which by residents to non-residents the bank may allow to be made or recorded in the registers of transfers of the bank shall be so limited as not to increase the total number of shares held by non-residents to more than twenty-five per cent of the total issued and outstanding shares of the capital stock of the bank.

Exception for small holdings.

(6) Notwithstanding subsections (1) and (2) of section 46, where in the case of a transfer of any shares of the capital stock of the bank to a transferee it appears that

(*a*) the aggregate par value of all shares of the capital stock of the bank held by the transferee as shown by the register of shareholders of the bank at a date not more than four months earlier is not more than five thousand dollars, and

(*b*) the aggregate par value of the shares included in the transfer and any shares acquired by the transferee after the date mentioned in paragraph (*a*) and still held by him as shown by the register of transfers of the bank in which it is sought to have the transfer made or recorded is not more than five thousand dollars,

the bank is entitled to assume that the transferee is not and will not be associated with any other shareholder and, unless the address to be recorded in the register of shareholders of the bank for the transferee is a place outside Canada, that he is a resident.

Definitions.

49. (1) In this section,

"Associates of the non-resident."

(*a*) "associates of the non-resident" means, with reference to any particular day,

(i) any shareholders associated with the non-resident on that day, and

(ii) any persons who would, under subsection (2) of section 45, be deemed to be shareholders associated with the non-resident on that day if both he and such persons were shareholders;

"Associates of the resident."

(*b*) "associates of the resident" means, with reference to any particular day,

(i) any shareholders associated with the resident on that day, and

(ii) any persons who would, under subsection (2) of section 45, be deemed to be shareholders associated with the resident on

49. *New.*

that day if both he and such persons were shareholders;

"Prescribed day."

(*c*) "prescribed day" means the 17th day of February, 1965;

"Shares held by or for the non-resident and associates."

(*d*) "shares held by or for the non-resident and associates" means, with reference to any particular day, the aggregate number of shares held on that day in the name or right of or for the use or benefit of the non-resident and associates of the non-resident on that day;

"Shares held by or for the resident and associates."

(*e*) "shares held by or for the resident and associates" means, with reference to any particular day, the aggregate number of shares held on that day in the name or right of or for the use or benefit of the resident and associates of the resident on that day.

Exception for non-resident ownership of bank.

(2) Where more than fifty per cent of the issued and outstanding shares of the capital stock of the bank were held on the 22nd day of September, 1964 in the name or right of or for the use or benefit of one non-resident, sections 46 and 47 do not apply to or in respect of the bank; but if at any time thereafter there is no one person in whose name or right or for whose use or benefit more than ten per cent of the issued and outstanding shares of the capital stock of the bank are held, those sections apply from and after that time to and in respect of the bank.

Exception for individual resident and associate holdings.

(3) Where at the commencement of the prescribed day the number of shares of the capital stock of the bank held in the name or right of or for the use or benefit of a resident together with the number of such shares, if any, held at the commencement of that day in the name or right of or for the use or benefit of any associates of the resident exceeded ten per cent of the number of shares of the capital stock of the bank at that time issued and outstanding, the voting rights pertaining to the shares held in the name or right of or for the use or benefit of the resident may, notwithstanding subsection (2) of section 47, be exercised, in person or by proxy, so long as the percentage of such shares held by or for the resident and associates does not exceed either the percentage of such shares held by or for the resident and associates at the commencement of the prescribed day or the smallest percentage of such shares held by or for the resident and associates on any subsequent day; but this subsection shall not be construed to prohibit the exercise of voting rights in circumstances where section 47 does not apply.

Exception for individual non-resident and associate holdings.

(4) Where on the 22nd day of September, 1964, the number of shares of the capital stock of the bank held in the name or right of or for the use or benefit of a non-resident together with the number of such shares, if any,

held on that day in the name or right of or for the use or benefit of any associates of the non-resident exceeded ten per cent of the number of shares of the capital stock of the bank at that time issued and outstanding, the voting rights pertaining to the shares held in the name or right of or for the use or benefit of the non-resident may, notwithstanding subsection (2) of section 47, be exercised, in person or by proxy, so long as the percentage of such shares held by or for the non-resident and associates does not exceed either the percentage of such shares held by or for the non-resident and associates on the 22nd day of September, 1964, or the smallest percentage of such shares held by or for the non-resident and associates on any subsequent day; but this subsection shall not be construed to prohibit the exercise of voting rights in circumstances where section 47 does not apply.

Transfers by nominees.

(5) Notwithstanding subsections (2) and (3) of section 46, the bank may allow a transfer of a share of the capital stock of the bank to be made or recorded in a register of transfers of the bank where the transfer is to

(*a*) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right,

(*b*) the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof, or

(*c*) a resident,

if it is shown to the bank on evidence satisfactory to it that the share was at the commencement of the prescribed day held in the right of or for the use or benefit of the transferee.

Voting rights on non-resident holdings acquired after 22nd September, 1964.

(6) If, at any time after the 22nd day of September, 1964 and before the coming into force of section 46, the bank allowed to be made or recorded in a register of transfers of the bank a transfer of any share of the capital stock of the bank to a non-resident that it would have been required to refuse under section 46 had that section come into force on the 23rd day of September, 1964, no person shall, in person or as proxy, exercise the voting rights pertaining to such share until such time as the share is transferred to a resident, unless

(*a*) the total par value of all shares of the capital stock of the bank held by the non-resident is not more than five thousand dollars, or

(*b*) the percentage of the shares of the capital stock of the bank held by non-residents on the day of commencement of this Act does not exceed

(i) twenty-five per cent, or

(ii) the percentage of such shares held by non-residents on the 22nd day of September, 1964, if such percentage was on that day greater than twenty-five per cent,

and the total number of such shares held by or for the non-resident and associates does not exceed ten per cent of the total number of the issued and outstanding shares of the capital stock of the bank;

but nothing in this subsection shall be construed to permit any person to exercise the voting rights pertaining to a share of the capital stock of the bank that is held in the name of the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof, if the transfer of the share to the holder was made or recorded in a register of transfers of the bank on or after the prescribed day.

Shares held on prescribed day by government or fund.

(7) Where at the commencement of the prescribed day any share of the capital stock of the bank was held in the name or right of or for the use or benefit of

(*a*) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right, or

(*b*) a person administering, managing or investing any fund or moneys referred to in clause (B) of subparagraph (i) of paragraph (*a*) of subsection (1) of section 45,

the voting rights pertaining to the share so held may be exercised, in person or by proxy, so long as the share is held in such name or right or for such use or benefit.

Calculation of non-resident shareholders.

(8) For the purposes of subsection (6), the total number of shares of the capital stock of the bank held by non-residents on the 22nd day of September, 1964, or on any day thereafter to and including the day of commencement of this Act, may be calculated, in respect of any of those days, in the same manner as the total number of such shares may be calculated under subsection (4) of section 48.

SHARES SUBJECT TO TRUSTS.

Bank not bound to see to trusts.

50. The bank is not bound to see to the execution of any trust, whether express, implied or constructive, to which any share of its capital stock is subject.

50. 51. Section 43.

Receipt.

51. Except only in the case of a claim made in the manner referred to in paragraph (*b*) of subsection (1) of section 83, by some other person, the receipt of the person in whose name any 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 is a sufficient discharge to the bank for any dividend or any other sum of money payable in respect of the share, and the bank is not bound to see to the application of the money paid upon such receipt, whether given by one of such persons or all of them.

Executor or trustee not personally liable.

52. (1) No person holding shares of the capital stock of 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 shares are so held is named in the books of the bank in connection with such holding,

is personally subject to any liability as a shareholder for unpaid subscriptions for shares; but the estate and funds in his hands are 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 shares in his own name.

Cestui que trust liable.

(2) Where the trust is for an individual or corporation, such individual or corporation is also liable as a shareholder to the extent of his or its respective interest in the shares.

Executor or trustee liable where trust not named.

(3) Where 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 is personally liable in respect of the shares as if he held them in his own name as owner thereof.

ANNUAL AND OTHER STATEMENTS.

Statement required at annual general meeting.

53. (1) At every annual general meeting of the shareholders, the outgoing directors shall submit a statement (hereinafter called the "annual statement"), which shall present fairly the financial position of the bank for the financial year immediately preceding the meeting, and shall contain

(*a*) a statement of assets and liabilities of the bank as at the end of the financial year, showing the information in the form specified in Schedule A and such additional information and particulars as in the opinion of the directors are necessary to present fairly the financial position of the bank; and

52. Section 44.

53. Section 45.

(*b*) a statement of revenue, expenses and undivided profits of the bank for the financial year, showing the information in the form specified in Schedule B and such additional information and particulars as in the opinion of the directors are necessary to present fairly the balance available for distribution of profits earned in the financial year.

How statement signed.

(2) The annual statement shall be signed

(*a*) on behalf of the board of directors, by the president or a vice-president or two other directors, and

(*b*) by the general manager or a person duly authorized to sign in the place of the general manager.

Amendment of Schedules.

(3) The Governor in Council may amend Schedules A and B.

Additional statements.

54. The directors shall, in addition to the annual statement, submit to the shareholders such other statements of the affairs of the bank in such manner and at such times as the shareholders by by-law require.

SHAREHOLDERS' AUDIT.

Auditors.

55. (1) The affairs of the bank shall be audited by two auditors appointed in accordance with this section, each of whom at the time of his appointment is an accountant who

Qualification.

(*a*) is a member in good standing of an institute or association of accountants incorporated by or under the authority of the legislature of the Province of Quebec;

(*b*) is ordinarily resident in Canada; and

(*c*) has practised his profession in Canada continuously during the six consecutive years immediately preceding his appointment.

Appointment.

(2) The shareholders shall, at each annual general meeting, appoint two persons having the qualifications specified in subsection (1), but not being members of the same firm, to be the auditors of the bank until the next ensuing annual general meeting, but no person shall be so appointed if he or a member of his firm is a director, officer or employee of the bank.

Minister may revoke appointments.

(3) The Minister may at any time revoke the appointment of an auditor by notice in writing signed by the Minister and sent by registered mail addressed to the auditor at his usual place of business and shall at the same time furnish a copy thereof to the bank.

Disqualification.

(4) An auditor ceases to hold office

(*a*) on the day on which a notice is mailed to him under subsection (3); or

54. Section 46.

55. Section 47.

(*b*) if he or a member of his firm becomes a director, officer or employee of the bank.

Vacancy.

(5) When a vacancy occurs in the office of auditor of a bank, the bank shall forthwith give notice thereof to the Minister, who shall appoint a person having the qualifications specified in subsection (1) to be an auditor of the bank until the next ensuing annual general meeting.

Remuneration.

(6) The shareholders shall, at the time they appoint the auditors, fix their remuneration, and when a vacancy occurs in the office of auditor and is filled under this section, the remuneration so fixed shall be divided, in such manner as the directors determine, amongst the person originally appointed or his legal representative, the continuing auditor and the person appointed to fill the vacancy.

Access to books, etc.

(7) The auditors of the bank have a right of access to the books, minutes, accounts, cash, securities, documents and vouchers of the bank and any security held by the bank, and are entitled to require such information and explanations as they deem necessary for the performance of their duties as auditors.

Auditors to check cash and securities.

(8) In addition to any other audit and report required by this section the auditors shall, at least once during their term of office, check the cash and verify the securities of the bank at the head office of the bank and, if they deem it advisable, at any branch of the bank.

Minister may require report on procedure.

(9) The Minister may require that the auditors of the 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.

Minister may enlarge audit.

(10) The Minister may enlarge or extend the scope of the audit or direct any other or particular examination to be made or procedure established in the particular case as, in his opinion, the public interest may require, and the bank shall, in respect thereof, pay to the auditor such remuneration, in addition to that fixed under subsection (6), as the Minister allows.

Report to shareholders.

(11) The auditors shall make a report to the shareholders on the statement of the assets and liabilities and on the statement of revenue, expenses, and undivided profits of the bank to be submitted by the directors to the shareholders under section 53.

Content of report.

(12) The auditors' report shall state whether, in their opinion, the statements referred to in the report present fairly the financial position of the bank as at the end of the financial year and its revenue, expenses and undivided profits for the year, and shall include such remarks as they consider necessary in any case where

(*a*) they have not obtained all the information and explanations that they have required;

55 (5) to (12). Section 47 (5) to (12).

(*b*) the transactions of the bank that have come under their notice have not, in their opinion, been within the powers of the bank; or

(*c*) the statements referred to in their report are not as shown by the books of the bank.

Submission of report to shareholders.

(13) The auditors' report shall be attached to the annual statement submitted by the directors to the shareholders at the annual general meeting.

Copies for shareholders and Minister.

(14) At or after the annual general meeting any shareholder is entitled, on application, to be furnished by the directors with a copy of the statement and report submitted to the meeting, and a copy thereof shall be forwarded to the Minister within four weeks after the meeting.

INSPECTION.

Examination and inquiry into affairs of banks.

56. (1) The Inspector, 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 has and may exercise and perform all the rights, powers and duties given to him under the *Bank Act*.

Verification of cash reserve returns.

(2) In addition to any report under subsection (1) the Inspector shall annually certify to the Minister and to the Governor of the Bank of Canada whether in his opinion the returns that have been submitted by the banks under section 92 are correct.

Powers of commissioner under *Inquiries Act*.

(3) The Inspector has all the powers conferred upon a commissioner appointed under Part II of the *Inquiries Act* for the purpose of obtaining evidence under oath, and may delegate such powers as occasion may require.

Expenses to be recouped from banks.

57. All salaries, remuneration and other expenses incidental to carrying out section 56 shall be paid out of such moneys as may be appropriated by Parliament therefor, 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 91, and such assessment shall be paid by the banks.

56. Section 48.

57. Section 49.

No grant or gratuity to be made to Inspector or his officers.

58. The Inspector or any other person appointed or employed under section 64 of the *Bank Act* shall not accept or receive, directly or indirectly, any grant or gratuity from a bank or from any director, officer or employee of a bank, and no bank and no director, officer or employee of a bank shall make or give any such grant or gratuity.

Secrecy.

59. The Inspector or any other person appointed or employed under section 64 of the *Bank Act* or any person to whom any powers are delegated under subsection (3) of section 56 shall not disclose to any other person, except the Minister, the Deputy Minister of Finance or the Governor of the Bank of Canada, or a representative of the latter if authorized by him in writing, any information regarding the business or affairs of a bank.

APPROPRIATIONS FOR LOSSES.

Report on excess appropriations.

60. (1) Where in the opinion of the Minister an amount set aside or reserved by the bank out of income, either by way of write-down of the value of assets or appropriation for the purpose of meeting losses on loans, bad or doubtful debts, depreciation in the value of assets other than bank premises or other contingencies, is in excess of the reasonable requirements of the bank having regard to all the circumstances, the Minister shall notify the Minister of National Revenue of the amount so set aside and of the amount of such excess.

Discretion of directors not affected.

(2) Nothing in subsection (1) shall be construed to give the Minister any jurisdiction over the discretion of the directors of the bank with regard to amounts set aside, reserved or transferred to any reserve or other account from income upon which taxes have been assessed under any Act of the Parliament of Canada imposing a tax upon or in respect of income.

DIVIDENDS.

Declaration of dividends.

61. (1) Subject to this Act and the by-laws, the directors of the bank may declare a dividend of so much of the profits of the bank as they consider advisable, and shall fix the day for payment thereof.

Notice.

(2) The directors shall give public notice of the payment of a dividend published for at least four weeks prior to the day fixed for payment thereof.

Where payable.

(3) A dividend is due and payable on and after the day fixed for payment thereof at the head office of the bank and at such other places as the directors prescribe.

Closing of registers o transfers.

(4) The directors may close the registers of transfers for a period, not exceeding thirty days, before the payment of a dividend.

58. Section 50.

59. Section 51.

60. Section 52.

61. Section 53.

Dividend not to impair capital.

62. (1) No dividend or bonus shall be declared

(*a*) while the paid-up capital of the bank is impaired, or

(*b*) if as a result thereof the paid-up capital of the bank would be impaired.

Directors liable for such dividend.

(2) The directors who knowingly and wilfully concur in the declaration or making payable of any dividend or bonus contrary to subsection (1) are jointly and severally liable for the amount of such dividend or bonus, as a debt due by them to the bank.

Limitation on dividend.

(3) No division of profits exceeding the rate of eight per cent per annum on the paid-up capital stock of the bank shall be made by the bank unless after making the division the bank has a rest account equal to at least thirty per cent of its paid-up capital stock after making all necessary provisions for ascertained and estimated diminution in the value of assets.

Personal liability of directors.

(4) The directors who knowingly and wilfully concur in any division of profits contrary to subsection (3) are jointly and severally liable for the amount so divided, as a debt due by them to the bank.

CASH AND SECONDARY RESERVES.

Cash reserve.

63. (1) The bank shall maintain a cash reserve in the form of notes of the Bank of Canada and deposits in Canadian currency with the Bank of Canada and a chartered bank and such reserve shall be not less on the average during any month than five per cent of such of its deposit liabilities as are payable in Canadian currency.

Secondary reserve.

(2) The bank shall maintain a secondary reserve in addition to that required by subsection (1) in the form of

(*a*) notes of the Bank of Canada and deposits in Canadian currency with the Bank of Canada and a chartered bank, and

(*b*) securities issued or guaranteed by Canada or a province that are payable in Canadian currency,

and such reserve shall not be less on the average during any month than fifteen per cent of such of its deposit liabilities as are payable in Canadian currency.

Determining reserves.

(3) For the purpose of determining the amount of the reserves required to be maintained by a bank during any month

(*a*) the amount of its deposit liabilities payable in Canadian currency shall be the average of such deposit liabilities at the close of business on Wednesday in each of the four consecutive weeks ending with the last Wednesday but one in the preceding month;

62. Section 54.

63. Section 55.

(3) *New.*

(*b*) the amount of Bank of Canada notes held by the bank shall be the average holdings of such notes at the close of business on Wednesdays in each of the four consecutive weeks ending with the last Wednesday but one in the preceding month;

(*c*) the amount of its deposits with the Bank of Canada and chartered banks shall be the average amount of such deposits at the close of business on each juridical day of the current month; and

(*d*) the amount of the securities issued or guaranteed by Canada or a province that are payable in Canadian currency shall be the average amortized value of such securities at the close of business on each juridical day of the current month.

Assets against foreign liabilities.

(4) The bank shall maintain adequate and appropriate assets against liabilities payable in foreign currency.

DESTRUCTION OF OLD RECORDS.

Destruction of records.

64. (1) Except as provided in subsection (4) of section 82, the bank may destroy books, records, documents, vouchers, paid instruments and papers in its possession where they are dated or were in existence or contain entries or writings made more than fifteen years prior to the destruction.

Evidence.

(2) Except as provided in subsection (3), in any action or proceeding the liability of the bank shall be determined by reference only to evidence of matters that have arisen or things that have occurred, including books and records or the portions thereof, and documents, vouchers, paid instruments and papers that are dated or came into existence, or that contain entries or writings made, during the period of fifteen years immediately preceding the commencement of the action or proceeding.

Idem.

(3) In any action or proceeding to establish the ownership of shares of capital stock of the bank, such ownership shall be determined by reference only to evidence of matters that have arisen or things that have occurred, including books and records, or the portions thereof, and documents, vouchers, paid instruments and papers that are dated or came into existence or that contain entries of writings made during the period of fifteen years immediately preceding the commencement of the action or proceeding, excepting the register of shareholders of the bank.

64. Section 56.

Statute of limitation.

(4) Nothing in subsection (1), (2) or (3) affects the operation of any statute of limitation or prescription or the right of the bank to destroy any books, records, documents, vouchers, paid instruments or papers not specified in subsection (4) of section 82 or relieves the bank from any liability to the Bank of Canada in respect of any debt or instrument to which subsection (1) of section 82 applies.

BUSINESS AND POWERS.

General.

Business and powers of bank.

65. (1) The bank may

(*a*) deposit money with the Bank of Canada and with any chartered bank;

(*b*) deposit money with banks outside Canada, if so authorized by the board of directors; and

(*c*) borrow money from the Bank of Canada and from any chartered bank and give security for the repayment thereof.

Prohibitions.

(2) Except as authorized by or under this Act the bank shall not, directly or indirectly,

(*a*) issue notes of the bank payable to bearer on demand and intended for circulation;

(*b*) deal in goods, wares and merchandise or engage in any trade or business;

(*c*) lend or invest money or make advances;

(*d*) acquire or deal in shares of the capital stock of a bank to which this Act applies;

(*e*) acquire or deal in securities, shares, mortgages, hypothecs or other security; and

(*f*) except with the consent of the Minister, contribute to any guarantee or pension fund if any part of the fund has, at any time after the coming into force of this Act, been invested in shares of the capital stock of a bank to which this Act applies.

Investments.

Investments.

66. The bank may invest in

(*a*) securities, payable in Canadian currency, of a corporation incorporated in Canada none of whose securities are in default in respect of either principal or interest;

(*b*) shares, issued in Canadian currency, of a corporation incorporated in Canada none of whose securities are in default in respect of either principal or interest; and

(*c*) shares of a chartered bank.

65. Section 57.

66. Sections 58 and 59.

Idem.

67. The bank may, subject to this Act, invest in

(*a*) mortgages and hypothecs upon the security of which the bank may lend money and make advances under section 72; and

(*b*) mortgages and hypothecs upon the security of which the bank may lend money and make advances under the *National Housing Act, 1954*.

Loans and Advances.

Loans and advances.

68. The bank may lend money and make advances to any person if the bank takes as security for the repayment of the loan

(*a*) any of the securities and shares mentioned in section 66, the market value of which, at the time the loan is made, is not less than the amount of the loan;

(*b*) a life insurance policy, the cash surrender value of which, at the time the loan is made, is not less than the amount of the loan; or

(*c*) a promissory note endorsed for acceptance by a chartered bank, the amount of which, at the time the loan was made, is not less than the amount of the loan;

and the bank takes the security with authority to sell it or realize thereon.

Without security.

69. The bank may lend money and make advances without security to the Government of Canada or a province.

Idem.

70. The bank may lend money and make advances without security

(*a*) to a municipal corporation in Canada;

(*b*) to a school corporation in Canada that derives its revenues from rates or taxes levied by it or on its behalf;

(*c*) to an ecclesiastical or religious corporation incorporated in Canada;

(*d*) to a fabrique de paroisse or syndic that is subject to the Parish and Fabrique Act of the Province of Quebec;

(*e*) to a corporation incorporated for the purpose of operating a hospital or sanitarium in the Province of Quebec;

(*f*) to a corporation incorporated in Canada, in an amount that, together with the amount owing by the corporation to the bank in respect of any other loan under this section, does not, at the time the loan is made, exceed the unimpaired paid-up capital and earned surplus of the corporation, if

67. Section 60.

68. Section 61.

(*c*) *New.*

69. Section 62.

70. Section 63.

(i) the loan is authorized by resolution of the board of directors of the bank,

(ii) the corporation has an unimpaired paid-up capital and earned surplus in excess of five hundred thousand dollars, and

(iii) the corporation has, in each of its last five financial years ended less than one year before the date of the loan, paid in cash, on all its outstanding capital stock, a dividend out of income earned in the year of payment; or

(*g*) to any individual in an amount that, together with the amount owing by the individual to the bank in respect of any other loan under this section, does not, at the time of the loan, exceed ten thousand dollars;

if the aggregate outstanding amount of the loans made by the bank under this section, together with the proposed loan, does not exceed fifteen per cent of its deposit liabilities.

National Housing Act, 1954.

Interest.

71. (1) The bank may lend money and make advances under the *National Housing Act, 1954*.

(2) The maximum rate of interest or rate of discount prescribed under section 79 does not apply to loans made under this section.

Loans on security of real or immovable property.

72. (1) The bank may lend money and make advances on the security of improved real or immovable property in Canada if

(*a*) the loan is authorized by a resolution of the board of directors of the bank, and

(*b*) the amount of the loan at the time it is made does not exceed the lesser of

(i) seventy-five per cent of the value of the real or immovable property on which the security is taken less the outstanding amount of any mortgage or hypothec having an equal or prior claim against the property, or

(ii) five per cent of the aggregate paid-up capital and rest account of the bank

and the aggregate amount outstanding of

(*c*) loans made by the bank under this section,

(*d*) loans made by the bank under section 71, and

(*e*) mortgages and hypothecs invested in by the bank under section 67,

together with the proposed loan, does not exceed sixty per cent of its deposit liabilities.

"Improved real or immovable property" defined.

(2) In this section "improved real or immovable property" means land or immovable property upon which there is situated a building that constitutes a

71. Section 64.

72. Section 64.

permanent improvement to the property or on which there is such a building in the process of construction.

Mortgages as part payment.

(3) This section does not limit the authority of the bank to take security on real or immovable property to secure a balance of price of real or immovable property sold by the bank.

Saving.

(4) This section does not limit the authority of the bank to acquire from a corporation securities that are issued or guaranteed by the corporation and secured on any property whether in favour of a trustee or otherwise.

Interest rate.

(5) The maximum rate of interest or rate of discount prescribed under section 79 does not apply to loans made under this section.

Security.

Securities may be sold.

73. (1) Securities and shares acquired and held by the bank as security may, in the case of default in the payment of the loan, advance or debt or in the discharge of the liability for the securing of which they were so acquired and held, be dealt with, sold and conveyed 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.

Waiver of rights.

(2) The right to deal with and dispose of securities or shares, as provided in subsection (1), may be waived or varied by any agreement between the bank and the person by whom the security was given.

Acquisition of securities.

74. (1) Notwithstanding this Act, the bank may acquire any of the securities or shares referred to in section 73 that are held by it as security.

Disposal of unauthorized securities.

(2) When the bank acquires securities or shares in which the bank may not invest under this Act,

(*a*) in the realization of a loan, or

(*b*) in an exchange or conversion of securities or shares as a result of reorganization or amalgamation of a corporation,

the bank shall, within twelve months, sell or dispose of them.

Extension of time.

(3) The Minister may direct that the time for the sale or disposal of any securities or shares under this section shall be extended for a further period or periods not to exceed a total of two years.

Subsequent security.

75. (1) Where a debt or liability has been incurred to the bank in the course of its business, the bank may subsequently take, hold and dispose of security of any kind for such debt or liability upon any real or personal, immovable or movable property.

(4) *New.*

73. Section 65.

74. Section 66.

75. Section 67.

Rights in respect of personal property.

(2) The rights, powers and privileges that the bank is by this Act declared to have, or to have had, in respect of real or immovable property on which it has taken security, shall be held and possessed by it in respect of any personal or movable property on which it has taken security.

Purchases of realty.

76. The bank may purchase any 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 property is situated,

in cases in which, under similar circumstances, an individual could so purchase, without any restriction as to the value of the property that it may so purchase, and may acquire title thereto as any individual, purchasing at a 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.

Bank may acquire absolute title.

77. (1) The bank may acquire and hold an absolute title in or to real or immovable property affected by a mortgage or hypothec securing a loan or advance made by the bank or a debt or liability to the bank, 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 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 mortgaged or hypothecated real or immovable property, whatever the value thereof, or from exercising or acting upon any power of sale contained in any mortgage given to or held by the bank, authorizing or enabling it to sell or convey any property so mortgaged.

Real Property.

Acquisition of real property.

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

76. Section 68.

77. Section 69.

78. Section 70.

the same, and acquire other property in its stead for the same purpose.

Disposition.

(2) The bank may hold real or immovable property

(*a*) in the case of property acquired or held for its own use, for a period of seven years from the day on which it ceases to be required for its own use, as determined by the directors, and

(*b*) in the case of other property, for a period of twelve years from the day on which it acquired the property,

and forthwith after the expiry of that period the bank shall sell or otherwise dispose of the property absolutely so that the bank no longer has, directly or indirectly, any interest or control in respect thereof except by way of security.

Forfeiture.

(3) Where the bank fails to dispose of property in accordance with subsection (2), the Attorney General of Canada may, upon such notice as a judge of the Exchequer Court of Canada may order, apply to a judge of that Court for an order declaring the property to be forfeited to Her Majesty in right of Canada, and the judge may, if he is satisfied that the bank has not disposed of the property in accordance with subsection (2), declare the property forfeited to Her Majesty, except that

(*a*) the property shall not be vested in Her Majesty before the expiry of six calendar months from the day on which notice of the application was given to the bank in accordance with the order of the judge; and

(*b*) the bank may, at any time before the property vests in Her Majesty, sell or otherwise dispose of it as required by subsection (2) as if no application, order or declaration had been made.

Interest and Charges.

Powers re interest.

79. (1) The bank may pay any rate of interest on a debt payable by the bank, and the bank may charge any rate of interest or rate of discount on a loan or advance made by the bank or on a debt or liability to the bank.

(2) Notwithstanding subsection (1), where a maximum rate of interest or rate of discount is prescribed for chartered banks under section 91 of the *Bank Act* in respect of loans or advances, the bank shall not charge on any loan or advance any rate of interest or rate of discount exceeding the maximum rate permitted to be charged by a chartered bank on such a loan or advance, and no higher rate of interest or rate of discount is recoverable by the bank in respect of any such loan or advance.

79. (1) 75(2) and *new*.

Minimum charges.

(3) Where the interest or discount on any loan or advance amounts to less than one dollar the bank may, notwithstanding subsection (1) charge a total amount in respect of interest or discount not exceeding one dollar, except that where the loan or advance is not in excess of twenty-five dollars and the interest or discount thereon is less than fifty cents, the maximum charge in respect thereof shall not exceed fifty cents; but this subsection expires when subsection (5) of section 91 of the *Bank Act* expires.

Charges on discounts.

80. (1) The bank may, in discounting a bill of exchange, promissory note or other negotiable instrument, in order to defray the expense of collection thereof, charge in addition to the discount thereon,

(*a*) where the instrument is payable at a branch of the bank and is discounted at another branch, an amount not exceeding one-eighth of one per cent of the amount of the instrument or fifteen cents, whichever is greater, or

(*b*) where the instrument is payable at a place in Canada, other than a branch of the bank or of a chartered bank, an amount not exceeding one-fourth of one per cent of the amount of the instrument or twenty-five cents, whichever is greater.

Expiration.

(2) This section expires on the day that section 92 of the *Bank Act* expires.

No charge on government cheques.

81. (1) The bank shall not make a charge for cashing a cheque or other instrument drawn on the Receiver General or on his account in the Bank of Canada or in any chartered bank, or for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund, or in respect of any cheque or other instrument drawn in favour of the Receiver General, the Government of Canada or any department thereof or any public officer in his capacity as such, and tendered for deposit to the credit of the Receiver General.

Deposits by Government of Canada

(2) Nothing in subsection (1) shall be construed to prohibit any arrangement between the Government of Canada and the bank concerning interest to be paid on any or all deposits of the Government of Canada with the bank.

Charges for keeping accounts.

(3) The bank shall not, directly or indirectly, charge or receive any sum for the keeping of an account unless the charge is made by express agreement between the bank and the customer.

(3) Section 71(2).

80. (1) Section 72.

(2) *New.*

81. Section 73.

(2) *New.*

Unclaimed Balances.

Transfer to Bank of Canada of unclaimed balances.

82. (1) Where

(*a*) a debt payable in Canada in Canadian currency is owing by the bank by reason of a deposit in respect of which no transaction has taken place and no statement of account has been requested or acknowledged by the creditor during a period of ten years reckoned

(i) in the case of a deposit made for a fixed period, from the day on which the fixed period terminated, and

(ii) in the case of any other deposit, from the day on which the last transaction took place or a statement of account was last requested or acknowledged by the creditor, whichever is later, or

(*b*) a cheque, draft or bill of exchange (including an instrument drawn by one branch of the bank upon another branch of the bank but not including an instrument issued in payment of a dividend on the capital stock of the bank) payable in Canada in Canadian currency has been issued, certified or accepted by the bank at a branch of the bank in Canada and no payment has been made in respect thereof for a period of ten years from the date of issue, certification or acceptance,

the bank shall pay to the Bank of Canada on a day to be fixed by the Minister an amount equal to the amount owing by the bank in respect of the debt or to the amount that would be owing if the instrument had been presented for payment, including interest, if any, in accordance with the terms of the debt or instrument, and payment accordingly discharges the bank from all liability in respect of the debt or instrument.

Withholding payment in case of doubt.

(2) Where in the opinion of the Minister, there is doubt as to who is entitled to payment of a debt or instrument specified in subsection (1) he may, in writing, direct the bank to withhold the payment required by subsection (1) and the bank shall not make the payment until directed in writing by the Minister to do so.

Payment to claimant.

(3) Subject to subsection (5) of section 18 of the *Bank of Canada Act*, where payment has been made to the Bank of Canada under subsection (1) with respect to a debt or instrument, the Bank of Canada, if payment is demanded or the instrument is presented at the Bank of Canada by the person who, but for subsection (1), would be entitled to receive payment of the debt or instrument, is liable to pay at its agency in the province in which the debt or instrument was payable, an amount equal to the

82. Section 74.

82. (3) to (5). Section 74(3) to (5).

amount so paid to it, with interest thereon for a period not exceeding twenty years, from the day on which the payment was received by the Bank of Canada until the date of payment to the claimant, at such rate and computed in such manner as the Minister determines if interest was payable in accordance with the terms of the debt, and such liability may be enforced by action against the Bank of Canada in a court of competent jurisdiction in the province in which the debt or instrument was payable.

Retention of records.

(4) Where the bank has paid an amount to the Bank of Canada under subsection (1) in respect of a debt or instrument, it shall keep all signature cards and signing authorities relating to the debt or instrument until the Bank of Canada notifies the bank that they are no longer required and thereafter may destroy them.

Statutes of limitation not to apply.

(5) Except as provided in subsection (1) of this section and in subsection (2) of section 64, the liability of the bank in respect of a debt or an instrument to which subsection (1) applies is not extinguished and any action to enforce payment of the debt or instrument is not barred by any statute of prescription or limitation.

Deposits from persons unable to contract.

83. The bank may 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 payment the money so deposited in the bank is claimed by some other person in any action or proceeding to which the bank is a party and in respect of which service of a writ or other process originating such action or proceeding has been made on the bank, or in any other action or proceeding pursuant to which an injunction or order made by the court requiring the bank not to make payment of such money or to make payment thereof to some person other than the depositor has been served on the bank, and in the case of any such claim so made 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.

83. Section 75 (1).

Bank not bound to see to trust in deposits.

84. (1) The bank is not bound to see to the execution of any trust, whether express, implied or constructive, to which any deposit made under the authority of this Act is subject.

Payment where bank has notice of trust.

(2) When 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 is, notwithstanding any trust to which such deposit is then subject, a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit and the bank is not bound to see to the application of any money paid upon such receipt or cheque.

Payments in other cases.

(3) Except only in the case of a claim made in the manner referred to in paragraph (*b*) of subsection (1) of section 83, 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 names 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 the majority of such persons is a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit.

Effect of writ, etc.

(4) A writ or process originating a legal proceeding or issued therein or in pursuance thereof or an order or injunction made by a court affects and binds only property in the possession of the bank belonging to, or moneys to the credit of, a person at the branch where such writ, process, order or injunction or notice thereof is served.

Deposit upon express condition.

(5) Notwithstanding any trust, the bank shall pay a deposit and the interest thereon, in accordance with the direction of the depositor, and the bank is not bound to see to the application of the money paid on any receipt given by any or all of the persons in whose name the deposit stands.

Transmission of deposits.

85. (1) Where the interest in any deposit is transmitted by or in consequence of

(*a*) the marriage of a female depositor, or

(*b*) any lawful means, other than by a transfer upon the books of the bank,

the transmission shall be authenticated by a declaration in writing as provided in this section or in such other manner as the directors of the bank require.

How authenticated.

(2) Every declaration shall distinctly state the manner in which and the person to whom the deposit has been transmitted, and shall give his post office address and description, and such person shall make and sign the declaration.

84. Section 76.

85. Section 77.

Acknowledgement.

(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 declaration is made and signed.

To be left with bank.

(4) Every declaration signed and acknowledged as required by this section shall be left with the general manager or other officer or agent of the bank, who shall thereupon enter in the books of the bank the name of the person entitled to the deposit under the transmission.

Transmission by death.

86. Where the transmission of a debt owing by the bank by reason of a deposit takes place because of the death of a person, the delivery to the bank

(*a*) of an affidavit or declaration in writing in form satisfactory to the bank signed by or on behalf of a person claiming by virtue of the transmission stating the nature and effect of the transmission, and

(*b*) when the claim is based on

(i) a will or other testamentary instrument or on a grant of probate thereof or on such a grant and letters testamentary or other document of like import or on a grant of letters of administration or other document of like import, purporting to be issued by any court or authority in Canada or elsewhere, of an authenticated copy or certificate thereof under the seal of the court or authority without proof of the authenticity of the seal or other proof, or

(ii) a notarial will, of an authenticated copy thereof,

is sufficient justification and authority for giving effect to the transmission in accordance with the claim.

Payment in Bank of Canada notes.

87. The bank, when making any payment shall, on the request of the person to whom the payment is to be made, make the payment or a part thereof, not exceeding one hundred dollars, as that person requests, in Bank of Canada notes for one, two or five dollars each.

CHARITABLE FUNDS.

Distribution to charitable institutions.

88. The directors shall continue to distribute to charitable institutions yearly, as heretofore, the interest earned on the amounts invested for that purpose.

86. Section 78.

87. Section 79.

88. Section 80.

Poor Fund of Montreal.

89. The principal of the Poor Fund of The Montreal City and District Savings Bank, which has been ascertained and settled at one hundred and eighty thousand dollars, shall continue invested and shall be held by the said bank in any of the securities mentioned in section 66.

Charity Fund of Quebec.

90. The principal of the Charity Fund of La Banque d'Economie de Québec, The Quebec Savings Bank, which has been ascertained and settled at eighty-three thousand dollars, shall continue invested and shall be held by the said bank in any of the securities mentioned in section 66.

RETURNS.

Return in form of Schedule A.

91. The bank shall, within the first fifteen days of each month, make a return to the Minister and to the Bank of Canada in the form set out in Schedule A, which shall present fairly the financial position of the bank on the last day of the last preceding month.

Return of reserves.

92. The bank shall, within the first fifteen days of each month, make a return to the Minister and to the Bank of Canada, in a form prescribed by the Minister, of the information appropriate to determine reserves for the last preceding month in accordance with subsection (3) of section 63.

Return of unclaimed deposits.

93. (1) The bank shall, within sixty days after the end of each calendar year, make a return to the Minister as of the end of that calendar year, in such form as he prescribes, with respect to all debts payable by the bank in Canada in Canadian currency by reason of deposits at branches of the bank in Canada in respect of which no transaction has taken place and no statement of account has been requested or acknowledged by the creditor during a period of nine years or more, reckoned

(*a*) in the case of a deposit made for a fixed period, from the day on which the fixed period terminated, and

(*b*) in the case of any other deposit, from the day on which the last transaction took place or a statement of account was last requested or acknowledged by the creditor, whichever is later,

until the date of the return.

Content of return.

(2) A return made under subsection (1) shall show in so far as known to the bank

(*a*) the name of each creditor to whom the debts are payable;

(*b*) the recorded address of each such creditor;

(*c*) the amount payable to each such creditor; and

89. Section 81.

90. Section 82.

91. Section 83.

92. Section 84.

93. Section 85.

(*d*) the branch of the bank at which the last transaction took place with respect to the debt, and the date thereof.

Amounts under ten dollars.

(3) Where the total amount of debts to which subsection (1) applies payable to a creditor is less than ten dollars, the bank may omit the particulars in respect thereof required by subsection (2) from returns made under this section.

Return of cheques, etc.

94. (1) The bank shall, within sixty days after the end of each calendar year, make a return to the Minister as of the end of that calendar year, in such form as he prescribes, with respect to all cheques, drafts or bills of exchange (including instruments drawn by one branch of the bank upon another branch of the bank but not including instruments issued in payment of a dividend on the capital stock of the bank) payable in Canada in Canadian currency that have been issued, certified or accepted by the bank at branches of the bank in Canada and in respect of which no payment has been made for a period of nine years or more reckoned from the date of issue, certification or acceptance until the date of the return.

Content of return.

(2) A return made under subsection (1) shall show in so far as known to the bank

(*a*) the name of each person to whom or at whose request each instrument was issued, certified or accepted;

(*b*) the recorded address of each such person;

(*c*) the name of the payee of each instrument;

(*d*) the amount and date of each instrument;

(*e*) the name of the place where each instrument was payable; and

(*f*) the branch of the bank at which each instrument was issued, certified or accepted.

Amounts under ten dollars.

(3) Where the amount of an instrument to which subsection (1) applies is less than ten dollars, the bank may omit the particulars in respect thereof required by subsection (2) from returns made under this section.

Notice of unpaid amount.

95. (1) The bank shall mail to each person, in so far as known to the bank,

(*a*) to whom a debt referred to in section 93 is payable, or

(*b*) to whom or at whose request an instrument referred to in section 94 was issued, certified or accepted,

at his recorded address, a notice in writing stating that the debt or instrument, as the case may be, remains unpaid.

(3) *New.*

94. Section 86.

(3) *New.*

95. Section 88.

When notice to be given.

(2) The notice required by subsection (1) shall be given 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*) no transaction has taken place and no statement of account has been requested or acknowledged by the creditor, or

(*b*) the instrument has remained unpaid,

as the case may be.

Return of interest charges.

96. (1) The bank shall, within thirty days after the end of each calendar year, make a return to the Minister in the form of a declaration in writing disclosing whether, according to the books of the bank and the signed returns received from the managers of branches, the bank has, during that calendar year, charged in respect of any loan or advance any rate of interest or rate of discount exceeding the rate authorized by this Act.

Signature.

(2) A declaration required by this section shall be signed by the persons who are required to sign the declaration mentioned in section 99.

Return of names of shareholders.

97. (1) The bank shall, within thirty days after the end of each calendar year, make a return to the Minister with respect to its shareholders according to its books as at the end of the financial year of the bank ending in that calendar year, showing

(*a*) the name of each shareholder who holds shares of the capital stock of the bank having a par value of more than five thousand dollars;

(*b*) the place of the recorded address of each such shareholder;

(*c*) the number of shares held by him and the amount, if any, remaining to be paid thereon;

(*d*) a designation of each such shareholder whose recorded address is a place within Canada but who, to the knowledge of the bank, is a non-resident for the purposes of sections 46 to 49;

(*e*) the total number of shares held by

(i) those shareholders whose recorded addresses are places outside Canada, and

(ii) those shareholders who each hold shares having a par value of more than five thousand dollars, whose recorded addresses are places within Canada but who, to the knowledge of the bank, are non-residents for the purposes of sections 46 to 49; and

96. Section 89.

97. Section 90.

(*f*) the total number of shareholders who each hold shares having a par value of not more than five thousand dollars, the total number of shares held by them collectively and the total amount, if any, remaining to be paid thereon.

Signature.

(2) A return made by the bank under this section shall be signed by the president, a vice-president or a director authorized to sign in the place of the president, and by the general manager or a person authorized to sign in the place of the general manager.

Additional information.

98. (1) In addition to the returns required by sections 91 to 97, the bank shall furnish to the Minister,

(*a*) the documents required to be sent to him under section 33, and subsection (14) of section 55, and

(*b*) such other information at such times and in such form as the Minister may require.

Minister may determine information.

(2) The Minister may, in any case of doubt, determine

(*a*) the information that is to be included in any classification, and

(*b*) in which classification particular information shall be included,

in any form prescribed by or under this Act.

Extension of time.

(3) The Minister may extend the time for making a return required by this Act for a period not exceeding thirty days.

Additional information.

99. In addition to the returns required by sections 91 and 92 the bank shall furnish to the Bank of Canada such other information at such times and in such form as the Bank of Canada may require, but the bank shall not be required under this section to furnish information with respect to the accounts or affairs of any particular person.

Declaration to be annexed.

100. A return made by the bank under sections 91 to 94 shall have annexed thereto as part of the return, a declaration in the form set out in Schedule C, signed

(*a*) as to Part I thereof, by the chief accountant or a person authorized to sign in the place of the chief accountant; and

(*b*) as to Part II thereof, by the president, a vice-president or a director authorized to sign in the place of the president, and by the general manager or a person authorized to sign in the place of the general manager.

98. Section 91.

99. *New.*

100. Section 92.

Returns to be laid before Parliament.

101. (1) Each return made under section 97 shall be laid before Parliament within thirty days after the expiry of the time prescribed by or pursuant to this Act for making the return or, if Parliament is not then sitting, on any of the first thirty days next thereafter that Parliament is sitting.

Publication.

(2) The Minister shall, in each year, cause the information contained in the returns made under sections 93 and 94 in that year to be published in the *Canada Gazette* within thirty days after the expiry of the time prescribed by or pursuant to this Act for making the return.

INSOLVENCY.

Suspension for 90 days to constitute insolvency.

102. (1) Any suspension by the bank of payment of any of its liabilities as they accrue, in Bank of Canada notes, if it continues for ninety days consecutively, or at intervals within twelve consecutive months, constitutes the bank insolvent.

Charter to remain in force.

(2) The charter or Act of incorporation of the bank in the case mentioned in subsection (1) remains in force only for the purpose of enabling the directors, or other lawful authority, to make and enforce the calls mentioned in section 103, and to wind up the business of the bank.

When directors to make calls.

103. (1) Where any suspension of payment in full, in Bank of Canada notes, of any of the liabilities of the bank, continues for three months after the expiration of the time that, under subsection (1) of section 102 would constitute the bank insolvent, and no proceedings are taken under any Act for the winding-up of the bank, the directors shall make calls on each shareholder thereof to the amount they deem necessary to pay all the debts and liabilities of the bank not exceeding the amount uncalled on his shares, without waiting for the collection of any debts due to the bank or the sale of any of its assets or property.

Provisions applicable to calls.

(2) The following provisions apply in respect of calls made under subsection (1), namely:

(*a*) the calls shall be payable at intervals of thirty days;

(*b*) notice of the calls shall be given to the shareholders;

(*c*) any number of calls may be made by one resolution;

(*d*) no call shall exceed twenty per cent of the amount subscribed in respect of each share;

(*e*) payment of calls may be enforced in like manner as payment of any other calls under this Act;

101. Section 93.

102. (1) Section 94.

(2) Section 95.

103. Section 96.

(*f*) the first of such calls may be made within ten days after the expiration of the said three months;

(*g*) 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 calls shall be made in the manner prescribed for the making of such calls in such Act; and

(*h*) failure on the part of a shareholder to pay any such call when due constitutes a forfeiture by the shareholder of all claim in or to any part of the assets of the bank; but the call and any further call thereafter is recoverable from him as if no forfeiture had taken place.

Liability of shareholders who have transferred their stock.

104. The following persons, namely:

(*a*) persons who, having been shareholders of the bank, have transferred their shares, or any of them, within sixty days before the commencement of the suspension of payment by the bank; and

Or whose shares have been forfeited.

(*b*) persons whose shares of the capital stock of the bank have been forfeited within sixty days before the commencement of the suspension of payment by the bank;

are 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.

Order of charges.

105. In the case of the insolvency of the bank

(*a*) the payment of any amount due to the Government of Canada, in trust or otherwise, shall be the first charge upon the assets of the bank;

(*b*) the payment of any amount due to the government of a province, in trust or otherwise, shall be the second charge upon such assets; and

(*c*) the amount of any penalties for which the bank is liable shall be a charge upon the assets of the bank after all other liabilities are paid.

CURATOR.

Minister to appoint curator.

106. (1) The Minister shall, if the bank suspends payment in Bank of Canada notes of any of its liabilities as they accrue, forthwith appoint in writing a curator to supervise the affairs of the bank.

Idem.

(2) The Minister may, if the Inspector reports that in his opinion the bank is insolvent, forthwith appoint in writing a curator to supervise the affairs of the bank.

104. Section 97.

105. Section 98.

106. Section 99.

Removal.

107. The Minister may at any time remove the curator and may appoint in writing another person to act in his stead.

Powers and duties of curator.

108. (1) The curator shall assume supervision of the affairs of the bank, and has generally 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 is entitled to free and full access to all books, accounts, cash, securities, documents and vouchers of the bank and any security held by the bank.

Supervision.

(2) The curator shall supervise the affairs of the bank until he is removed from office, or until a liquidator is duly appointed to wind up the business of the bank.

Officers and employees to assist curator.

109. The directors, officers and employees of the bank shall give and afford to the curator all such information and assistance as he requires in the discharge of his duties.

Approval by curator.

110. No by-law, regulation, resolution or act, relating to 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, is of any force or effect until approved in writing by the curator.

Remuneration of curator.

111. 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 of Quebec, 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.

LIQUIDATOR.

Returns by liquidator.

112. A liquidator appointed to wind up the affairs of the bank shall furnish to the Minister such information, in such form, relating to the affairs of the bank, as the Minister may require of him.

PAYMENTS UPON WINDING-UP.

Unclaimed money on winding-up.

113. (1) Notwithstanding the *Winding-up Act*, where the business of the bank is being wound up, the liquidator shall pay to the Minister on demand and in any event before the final winding-up thereof, any amount that is payable by the liquidator to a creditor or shareholder of the bank to whom payment thereof has not, for any reason, been made.

107. Section 100.

108. Section 101.

109. Section 102.

110. Section 103.

111. Section 104.

112. Section 105.

113. Section 106.

Payment to Bank of Canada.

(2) The Minister shall pay to the Bank of Canada any amounts paid to him under subsection (1).

Liquidator and bank discharged.

(3) Payment by a liquidator to the Minister under this section discharges the liquidator and the bank in respect of which the payment is made from all liability for the amount so paid and payment by the Minister to the Bank of Canada under this section discharges the Minister from all liability for the amount so paid.

Liability of Bank of Canada.

(4) Subject to subsection (5) of section 18 of the *Bank of Canada Act*, where payment has been made to the Bank of Canada of an amount under this section, the Bank of Canada, if payment is demanded by the person who, but for this section, would be entitled to receive payment of that amount from the liquidator or the Minister, is liable to pay at its head office an amount equal to the amount so paid to it, with interest thereon for the period, not exceeding twenty years, from the day on which the payment was received by the Bank of Canada until the date of payment to the claimant, at such rate and computed in such manner as the Governor in Council determines, and such liability may be enforced by action against the Bank of Canada in any court of competent jurisdiction in Canada.

OFFENCES AND PENALTIES.

Sale and Transfer of Shares.

Sale and transfer contrary to requirements.

114. Every person, whether principal, broker or agent, who sells or transfers or attempts to sell or transfer any share of the capital stock of a bank

(*a*) knowing that the person making the sale or transfer, or that the person in whose name or on whose behalf the sale or transfer is made, is not at the time of the sale or attempted sale the registered owner, or

(*b*) without the assent to the sale of the registered owner thereof,

is guilty of an offence against this Act, unless under the by-laws of the bank it is unnecessary that transfers of shares of its capital stock be made in the books of the bank.

Annual Statement.

Statements not signed as required.

115. Every bank that issues or publishes

(*a*) a copy of the annual statement that has not been signed as required by section 53, or

(*b*) a copy of the annual statement required by section 53 that does not have a copy of the auditors' report attached thereto,

and every director, officer or employee of the bank who is knowingly a party to the issue or publication is liable to a penalty of two hundred and fifty dollars.

114. Section 107.

115. Section 108.

Inspection.

Refusal to give evidence

116. (1) Every person who refuses to give evidence under oath or to produce any book or document material thereto when required to do so by the Inspector or his representative when acting under subsection (3) of section 56 is guilty of an offence against this Act.

Making of grant or gratuity.

(2) Every bank that, and every director, officer or employee of a bank who, makes or pays a grant or gratuity in contravention of section 58 is guilty of an offence against this Act.

Refusal or failure to furnish information.

(3) Every person who refuses or fails to furnish the Inspector with any information or explanations that the Inspector requires him to furnish under section 56 is guilty of an offence against this Act.

Acceptance of grant or gratuity.

(4) The Inspector or any other person appointed or employed under section 64 of the *Bank Act* who accepts a grant or gratuity in contravention of section 58 is guilty of an offence against this Act.

Disclosure of information.

(5) The Inspector or any other person appointed or employed under section 64 of the *Bank Act* or any person to whom powers are delegated under subsection (3) of section 56 of this Act who discloses any information in contravention of section 59 is guilty of an offence against this Act.

Cash and Secondary Reserves.

Failure to maintain reserves.

117. When a bank knowingly fails to maintain the reserves as required by section 63, the amount of the deficiency shall be deemed to be a deficiency for the entire month in which it occurs and the bank is liable to a penalty at the rate of ten per cent per annum of the amount for that period.

Issue and Circulation of Notes.

Issue of notes.

118. Every bank that issues a note contrary to paragraph (*a*) of subsection (2) of section 65, and every director, officer or employee of the bank who knowingly is a party thereto, is guilty of an offence against this Act.

Prohibited Business.

Bank doing prohibited business.

119. (1) Every bank that violates any of the provisions of paragraph (*b*), (*c*), (*d*) or (*e*) of subsection (2) of section 65 is liable to a penalty of five hundred dollars in respect of each violation.

Penalty.

(2) Every bank that violates the provisions of paragraph (*f*) of subsection (2) of section 65 is liable to a penalty of five thousand dollars in respect of each violation.

116. Section 109.

117. Section 110.

118. Section 111.

119. Section 112.

Additional penalty.

(3) Every bank that makes a loan, advance or investment not authorized by this Act is liable, in addition to any other penalty prescribed by this Act, to a penalty of fifty dollars for each day during which any part of the loan, advance or investment is not authorized by this Act.

Interest Charges.

Violation of interest provisions.

120. Every bank that violates the provisions of section 79 is guilty of an offence and liable on summary conviction or on conviction upon indictment to a fine not exceeding five hundred dollars, and every person who, being an officer or employee of the bank, violates the provisions of section 79 is guilty of an offence and liable on summary conviction to a fine not exceeding one hundred dollars.

Returns.

Failure to make returns.

121. (1) Every bank that fails

(*a*) to make a return required to be made by it under this Act,

(*b*) to furnish to the Minister any information required to be furnished by it under subsection (1) of section 98, or

(*c*) to furnish to the Bank of Canada any information required to be furnished by it under section 99,

in the form and manner, within the time and containing the information prescribed by or pursuant to this Act, is liable to a penalty of fifty dollars for each day after the expiry of the time so prescribed for making the return or furnishing the information during which the failure continues.

Date of posting returns.

(2) If any return required to be made or any information required to be furnished under or pursuant to this Act is transmitted by post, the date appearing by the stamp or mark of the post office in Canada upon the envelope or wrapper enclosing the return or information received by the Minister or by the Bank of Canada, as the date of deposit in the post office shall be taken *prima facie* for the purpose of subsection (1) to be the day upon which the return was made or the information was furnished.

False statements.

122. (1) Every director, officer or employee of a bank and every auditor of a bank 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 information, or any return that does not present fairly information as required by this Act, is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.

120. Section 113.

121. Section 114.

122. Section 115.

Idem.

(2) Every director, officer or employee of a bank and every auditor of a bank 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 information, or any return that does not present fairly information as required by this Act, is guilty of an indictable offence and liable to imprisonment for a term not exceeding three years.

Suspension of Payment.

Calls.

123. Every director of a bank who refuses to make or enforce or to concur in the making or enforcing of any call on the shareholders of the bank as required by section 96 is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years.

Payment of liabilities.

124. Every director, officer or employee of a bank who, during any period of suspension of payment in Bank of Canada notes of any of the liabilities of the bank as they accrue, with knowledge of such suspension and without the consent of a duly appointed curator or liquidator, pays or causes to be paid to any person any debt or liability of the bank, is guilty of an offence against this Act.

Undue Preference to the Bank's Creditors.

Undue preference to any creditor.

125. Every director, officer or employee of a bank who 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, is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years.

Obtaining gifts or showing favour.

126. (1) Every person is guilty of an offence and liable, upon conviction on indictment, to two years' imprisonment or to a fine not exceeding twenty-five hundred dollars, or to both such fine and imprisonment, and, upon summary conviction, to imprisonment for six months, or to a fine not exceeding five hundred dollars, or to both such fine and imprisonment, who

(*a*) being a director, officer or employee 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

123. Section 116.

124. Section 117.

125. Section 118.

126. Section 119.

(*b*) corruptly gives or agrees to give or offers any gift or consideration to a director, officer or employee of a bank as an inducement or reward or consideration 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.

Offences Relating to Share Transactions.

Unlawful transfer of bank stock.

127. (1) Every bank that violates any provision of section 46 is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars; and every person who, being a director, officer, employee or agent of the bank, knowingly authorizes or permits a violation of any provision of section 46 is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year or to both such fine and imprisonment.

Unlawful voting of shares.

(2) Every person who knowingly violates any provision of section 47 or subsection (6) of section 49 is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year or to both such fine and imprisonment.

Punishment for Offences against this Act.

Punishment for offences.

128. Every person who commits an offence against this Act is, unless otherwise provided by this Act, liable

(*a*) on summary conviction, to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months, or to both such fine and imprisonment; or

(*b*) on conviction upon indictment, to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding five years, or to both such fine and imprisonment.

Procedure.

Pecuniary penalties.

129. (1) Unless otherwise provided by this Act, pecuniary penalties imposed upon a bank or person by this Act are recoverable and enforceable, with costs, at the suit of Her Majesty instituted by the Attorney General of Canada, and such penalties belong to Her Majesty in right of Canada,

127. *New.*

128. Section 120.

129. Section 121.

except that the Governor in Council, on the report of the Minister, 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.

Waiver.

(2) The Minister may waive all or any part of the pecuniary penalties imposed by this Act in any case where in his opinion the circumstances so warrant.

REPEAL.

Repeal.

130. The *Quebec Savings Banks Act*, chapter 41 of the Statutes of 1953–54, is repealed.

COMING INTO FORCE.

Coming into force.

131. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

SCHEDULE A

Return of the Assets and Liabilities

of the _____ Bank

as at _____, 19____

(omitting cents)

ASSETS

1. Gold and coin..... $
2. Notes of and deposits with Bank of Canada and deposits with chartered banks in Canadian currency..
3. Other bank notes and deposits with banks in currencies other than Canadian.....
4. Cheques and other items in transit, net.....
5. Securities issued or guaranteed by Canada, at amortized value.....
6. Securities issued or guaranteed by a province of Canada, at amortized value.....
7. Securities issued or guaranteed by a municipal or school corporation in Canada, not exceeding market value.....
8. Securities and shares of other Canadian issuers, not exceeding market value.....
9. Mortgages and hypothecs insured under the National Housing Act, 1954.....
10. Other mortgages and hypothecs, less provision for estimated loss.....
11. Loans otherwise secured, less provision for estimated loss.....
12. Loans without security, less provision for estimated loss.....
13. Poor Fund or Charity Fund investments.....
14. Bank premises at cost, less accumulated depreciation...
15. Other assets.....

$

SCHEDULE A—Concluded

Liabilities

1.	Deposits by Canada, in Canadian currency	$
2.	Deposits by provinces of Canada, in Canadian currency	
3.	Other deposits in Canadian currency	
4.	Deposits in currencies other than Canadian	
5.	Advances from Bank of Canada, secured	
6.	Advances from chartered banks, secured	
7.	Poor Fund or Charity Fund Trust	
8.	Other liabilities	
9.	Capital paid up	
10.	Rest account	
11.	Undivided profits at latest fiscal year end	
		$

Supplementary Information

Aggregate amount of loans to directors and firms of which they are members, and loans for which they are guarantors	$
Aggregate amount of loans under section 70 of the *Quebec Savings Banks Act*	$

SCHEDULE B

(Section 53(1)(*b*))

Statement of Revenue, Expenses and Undivided Profits

of the_____Bank

for the financial year ended_____, 19____

Revenue		
Income from loans	$	
Income from securities		
Other operating revenue		———
Total Revenue		———
Expenses		
Interest on deposits		
Salaries, pension fund and other staff benefits		
Property expenses, including depreciation		
Other operating expenses		———
Total Expenses		———
Balance of Revenue		
Less: Appropriations for losses on loans and investments		
Less: Provision for income taxes		———
Balance of profits for the year		
Dividends		———
Amount carried forward		
Undivided profits at beginning of year		
Transfer from accumulated appropriations for losses on loans and investments	$	
Less income taxes applicable thereto	———	———
Transferred to Rest Account		———
Undivided profits at end of year		———

Note: Titles should be deleted where there are no amounts to be reported thereunder.

SCHEDULE C

PART I

I declare that the above return is correct according to the books of the bank.

Dated at_____this_____ day of

_____, 19____.

_____

Chief Accountant.

PART II

We declare that the foregoing return, to the best of our knowledge and belief, is correct and presents fairly the information required by section.....of the *Quebec Savings Banks Act* according to the latest information available to us.

Dated at_____this_____ day of

_____, 19____.

_____

President.

_____

General Manager.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-224.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

AS PASSED BY THE HOUSE OF COMMONS, 7th JULY, 1966.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24656

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-224.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

MOST GRACIOUS SOVEREIGN,

Preamble.

WHEREAS it appears by messages from His Excellency, General Georges Philias Vanier, DSO., MC., Governor General of Canada and the estimates accompanying the said messages, that the sums hereinafter mentioned are required to defray certain expenses of the public service of Canada, not otherwise provided for, for the financial year ending the 31st day of March, 1967, and for other purposes connected with the public service: May it therefore please Your Majesty, that it may be enacted, and be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, that:

Short title.

1. This Act may be cited as the *Appropriation Act No. 6, 1966*.

$825,462,241.67 granted for 1966-67.

2. From and out of the Consolidated Revenue Fund, there may be paid and applied a sum not exceeding in the whole eight hundred and twenty-five million, four hundred and sixty-two thousand, two hundred and forty-one dollars and sixty-seven cents towards defraying the several charges and expenses of the public service, from the 1st day of April, 1966 to the 31st day of March, 1967, not otherwise provided for, and being the total of the amounts of the items set forth in the Main Estimates for the fiscal year ending the 31st day of March, 1967 as contained in the Schedule to this Act, less the amounts voted on account of the said items by the *Appropriation Act No. 3, 1966* and the *Appropriation Act No. 5, 1966*.

Purpose and effect of each item.

3. (1) The amount authorized by this Act to be paid or applied in respect of an item may be paid or applied only for the purposes and subject to any terms and conditions specified in the item, and the payment or application of any amount pursuant to the item has such operation and effect as may be stated or described therein.

(2) The provisions of each item in the Schedules shall be deemed to have been enacted by Parliament on the 1st day of April, 1966.

Commitments.

4. Where an item in the said Estimates purports to confer authority to enter into commitments up to an amount stated therein, a commitment may be entered into in accordance with the terms of such item, if the Comptroller of the Treasury certifies that the amount of the commitment proposed to be entered into, together with all previous commitments entered into pursuant to this section, does not exceed the total amount of the commitment authority stated in such item.

Account to be rendered R.S., c. 116.

5. Amounts paid or applied under the authority of this Act shall be accounted for in the Public Accounts in accordance with section 64 of the *Financial Administration Act*.

SCHEDULE

Based on the Main Estimates, 1966–67. The amount hereby granted is $825,462,241.67, being the total of the amounts of the items in the said Estimates, as contained in this Schedule, less the amount voted on account of the said items of the *Appropriation Act No. 3, 1966* and the *Appropriation Act No. 5, 1966*.

SUMS granted to Her Majesty by this Act for the financial year ending 31st March, 1967, and the purposes for which they are granted.

No. of Vote	Service	Amount	Total
		$	$
	CITIZENSHIP AND IMMIGRATION		
	GENERAL ADMINISTRATION		
1	General Administration including the promotion of a program for the employment of the older worker; the promotion of programs for combatting seasonal unemployment; the organization and use of workers for farming and related industries; and the manpower consultative service	3,913,500	
5	Payments to carry out the purposes of the Vocational Rehabilitation of Disabled Persons Act and agreements made thereunder, including undischarged commitments under previous agreements; payments to Provinces under agreements entered into with the Provinces by the Minister of Citizenship and Immigration with the approval of the Governor in Council for the organization and use of workers for farming and related industries, including undischarged commitments under previous agreements; and to authorize payments in accordance with agreements entered into with the approval of the Governor in Council by the Minister of Citizenship and Immigration with Provinces, employers and workers in respect of labour mobility and assessment incentives (formerly under Labour)	1,625,000	
	TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE (formerly under Labour)		
10	Administration	1,118,200	
15	Payments to the Provinces to carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder and payments under agreements providing for the sharing of expenditures for research projects to provide information relating to vocational training and manpower requirements	186,585,000	
	NATIONAL EMPLOYMENT SERVICE (formerly under Labour)		
20	Administration of the National Employment Service	28,340,100	
25	Manpower Mobility Program—Grants in accordance with regulations approved by the Governor in Council, to or in respect of persons who are moved from one place in Canada to another place in Canada in connection with the Manpower Mobility Program	3,500,000	

SCHEDULE (*Continued*)

No. of Vote	Service	Amount	Total
		$	$
	CITIZENSHIP AND IMMIGRATION (Continued)		
	IMMIGRATION		
30	Administration, Operation and Maintenance, including transoceanic and inland transportation and other assistance for immigrants and settlers subject to the approval of Treasury Board, including care en route and while awaiting employment; and payments to the Provinces, pursuant to agreements entered into, with the approval of the Governor in Council, in respect of expenses incurred by the Provinces for indigent immigrants and $20,000 for grants to Immigrant Welfare Organizations	18,233,800	
	CITIZENSHIP		
35	Administration, Operation and Maintenance, including grants and contributions for language instruction and citizenship promotion, and grants to organizations as detailed in the Estimates	2,332,400	
			245,648,000
	DEFENCE PRODUCTION		
	A—DEPARTMENT		
1	Departmental Administration including the care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling and grants to municipalities in lieu of taxes on Crown-owned defence plants, operated by private contractors	21,330,800	
5	Payments, subject to the approval of the Treasury Board, for certain programs carried out under the Defence Production Act, (a) to assist defence contractors with defence plant modernization, and in connection with the establishment of production capacity and qualified sources for production of component parts and materials; and (b) for capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, by Crown plants operated on a management-fee basis or by Crown companies under the direction of the Minister of Defence Production	4,765,000	
			26,095,800
	B—EMERGENCY MEASURES ORGANIZATION		
20	Administration and Operation	3,015,900	
25	Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances not exceeding in the aggregate the amounts of the shares of the Governments of the Provinces of the costs of joint programs	2,199,000	
30	Grants to Provinces and Municipalities for Civil Defence and Related Purposes and authority to make recoverable advances in accordance with terms and conditions approved by the Treasury Board	5,400,000	
			10,614,900
	C—CROWN COMPANIES		
	CANADIAN ARSENALS LIMITED		
40	Administration and Operation	446,000	
45	Construction, Improvements and Equipment	357,400	
			803,400

SCHEDULE (*Continued*)

No. of Vote	Service	Amount	Total
		$	$
	FORESTRY		
1	Departmental Administration	1,121,200	
3	Construction of extension to Research Laboratory in Pointe Claire, Quebec, for use by the Pulp and Paper Research Institute of Canada	750,000	
10	Freight Assistance on Western Feed Grains including assistance in respect of grain storage costs in accordance with the terms and conditions prescribed by the Governor in Council	19,200,000	
	FORESTRY		
15	Administration, Operation and Maintenance, including grants as detailed in the Estimates	12,620,000	
20	Construction or Acquisition of Buildings, Works, Land and Equipment	3,063,300	
23	Contributions to the Provinces in the amounts and subject to the terms specified in the Details of Estimates	8,660,000	
	RURAL DEVELOPMENT		
25	Agricultural Rehabilitation and Development Act Program and Maritime Marshland Rehabilitation Act Program—Administration, Operation and Maintenance	1,328,000	
30	Agricultural Rehabilitation and Development Act Program and Maritime Marshland Rehabilitation Act Program—Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Province of New Brunswick of the cost of the Petitcodiac River Dam Project	848,900	
35	Payments in respect of projects and programs under the Agricultural Rehabilitation and Development Act, and payments to Provinces pursuant to agreements entered into under that Act	22,000,000	
			69,591,400
	GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS		
1	Office of the Secretary of the Governor General	387,100	
5	To authorize reimbursement to the Lieutenant-Governors of the Provinces of Canada of the costs of travelling and hospitality incurred in the exercise of their duties up to a maximum per annum for each as detailed in the Estimates	142,500	
			529,600
	INDUSTRY		
1	Departmental Administration, including grants as detailed in the Estimates	6,795,400	
5	To sustain technological capability in Canadian industry by supporting selected defence development programs, on terms and conditions approved by Treasury Board, and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $60,000,000 for the foregoing purposes during the current and subsequent fiscal years	25,000,000	
10	To advance the technological capability of Canadian manufacturing industry by supporting selected civil (non-defence) development projects on terms and conditions approved by Treasury Board and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $20,000,000 for the foregoing purposes during the current and subsequent fiscal years	8,770,000	
			40,565,400

SCHEDULE (*Continued*)

No. of Vote	Service	Amount	Total
		$	$
	LEGISLATION		
	THE SENATE		
	Members of the Senate—		
1	Allowance in lieu of residence to the Speaker of the Senate..	3,000	
5	General Administration	1,179,700	
	HOUSE OF COMMONS		
	Members of the House of Commons—		
10	Allowances in lieu of residence to the Speaker of the House of Commons, and in lieu of Apartments to the Deputy Speaker of the House of Commons; allowances to the Deputy Chairman of Committees	8,500	
15	Expenses of the Canada-United States Inter-Parliamentary Group, of delegates attending other inter-parliamentary conferences, expenses connected with visits of delegates to and from other legislatures, including the expenses of the Commonwealth Parliamentary Conference to be held in Ottawa in 1966, Canada's share of the expenses of the Commonwealth Parliamentary Association including the assessment for membership in the Association, and grants as detailed in the Estimates	458,725	
20	General Administration	5,758,900	
	LIBRARY OF PARLIAMENT		
25	General Administration	543,300	
			7,952,125
	NATIONAL REVENUE		
	CUSTOMS AND EXCISE		
1	General Administration, Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from firms and individuals requiring special services	49,278,000	
	TAXATION		
5	General Administration and District Offices including recoverable expenditures on behalf of the Canada Pension Plan	44,986,300	
	TAX APPEAL BOARD		
10	Administration Expenses	171,500	
			94,435,800
	POST OFFICE		
1	Postal Services including Canada's share of the upkeep of the International Bureaux at Berne and Montevideo	.....	252,804,000

SCHEDULE (*Continued*)

No. of Vote	Service	Amount	Total
		$	$
	PRIVY COUNCIL		
	A—PRIVY COUNCIL		
1	Maintenance and Operation of the Prime Minister's Residence..	35,000	
	PRIVY COUNCIL OFFICE		
5	Ministers without Portfolio— Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of Parliament, to each member of the Queen's Privy Council for Canada who is a Minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a Member of the House of Commons) of a salary of $7,500 per annum and pro rata for any period less than a year.....	7,500	
10	General Administration including expenses of a pilot program, undertaken by volunteers, to advance social and economic development in community affairs.....	2,703,000	
15	Expenses of the Royal Commissions listed in the Details of the Estimates and the expenses of the Preparatory Committee on Collective Bargaining in the Public Service.....	1,559,600	
			4,305,100
	B—ECONOMIC COUNCIL OF CANADA		
20	Administration.....	.....	1,170,600
	VETERANS AFFAIRS		
1	Departmental Administration.....	6,732,100	
	WELFARE SERVICES ALLOWANCES AND OTHER BENEFITS		
5	Administration, including the expenses of the War Veterans Allowance Board, and grants as detailed in the Estimates..	4,270,500	
10	War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund Regulations.....	105,475,000	
15	Other Benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the Governor in Council and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that Act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial asisstance under the Veterans' Land Act, are deemed by the Minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments..	5,563,900	

SCHEDULE (*Continued*)

No. of Vote	Service	Amount	Total
		$	$
	VETERANS AFFAIRS (Continued)		
	PENSIONS		
20	Administration	2,787,300	
25	Pensions for Disability and Death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; Newfoundland Special Awards, and Gallantry Awards (World War II and Special Force)	182,403,000	
	TREATMENT SERVICES		
30	Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services	48,874,000	
35	Hospital Construction, Improvements, Equipment and Acquisition of Land including a contribution to the Province of Alberta towards the cost of constructing and equipping a nursing home in accordance with the terms of an agreement between the Province and the Federal Government	5,058,000	
	SOLDIER SETTLEMENT AND VETERANS' LAND ACT		
40	Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property, taxes, insurance and maintenance of public utilities; and to authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible, and for such other work on other properties as may be required to protect the interest of the Director therein	4,320,900	
45	Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act, grants to veterans settled on Dominion Lands in accordance with an agreement with the Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act	145,000	
			365,629,700
	LOANS, INVESTMENTS AND ADVANCES		
	INDUSTRY		
L35	Loans, in the current and subsequent fiscal years and in accordance with terms and conditions prescribed by the Governor in Council, to assist manufacturers of automotive products in Canada affected by the Canada-United States Agreement on Automotive Products to adjust and expand their production; such loans to be made for the purpose of acquisition, construction, installation, modernization, development, conversion or expansion of land, buildings, equipment, facilities or machinery and for working capital; and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $30,000,000 for the foregoing purposes during the current and subsequent fiscal years	8,600,000	
			$1,128,745,825*

*Net total $825,462,241.67.

C-225.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-225.

An Act respecting the observance of Dominion Day.

First reading, July 8, 1966.

Mr. GRAY.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24747

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-225.

An Act respecting the observance of Dominion Day.

HER 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 *Dominion Day Observance Act.*

INTERPRETATION.

Definitions. "Dominion Day." R.S. 1952, c. 88. "Employer."

2. In this Act,

(*a*) "Dominion Day" means Dominion Day as described in the *Dominion Day Act*;

(*b*) "employer" includes every person to whose orders or directions any other person is by his employment bound to conform;

"Person."

(*c*) "person" has the meaning that it has in the *Criminal Code.*

PROHIBITIONS.

No sales to be made.

3. It is not lawful for any person on Dominion Day, except as provided herein, to sell or offer for sale or purchase any goods, chattels, or other personal property, or any real estate.

SALES EXCEPTED.

Sales excepted.

4. Notwithstanding anything herein contained, any person on Dominion Day may proceed to make the following retail sales or purchases:

(*a*) drugs, medicines and surgical appliances;

(*b*) milk, bread, butter, chocolates, ice cream and soft drinks;

Explanatory Notes.

The purpose of this Bill is to help ensure that Canada's National Day can be observed in an appropriate manner throughout our country.

(*d*) newspapers, magazines, or books if it is in a place where goods listed in paragraphs (*a*), (*b*) or (*c*) are ordinarily sold;
(*e*) food in a restaurant;
(*f*) oil, gasoline and natural gas;
(*g*) intoxicating liquors if authorized by provincial legislation.

OFFENCES AND PENALTIES.

Violation. Penalty.

5. Any person who violates any of the provisions of this Act is guilty of an offence punishable on summary conviction and is liable to a fine of not more than five hundred dollars and not less than fifty dollars or to imprisonment for fifteen days.

Employer authorizing. Penalty.

6. Any person who, as employer, authorizes, directs or permits anything to be done in violation of any provision of this Act is guilty of an offence punishable on summary conviction and is liable to a fine of not more than one thousand dollars and not less than one hundred dollars or to imprisonment for thirty days.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-226.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

AS PASSED BY THE HOUSE OF COMMONS, 11th JULY, 1966.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24686

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-226.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

MOST GRACIOUS SOVEREIGN,

Preamble.

WHEREAS it appears by messages from His Excellency, General Georges Philias Vanier, DSO., MC., Governor General of Canada and the estimates accompanying the said messages, that the sums hereinafter mentioned are required to defray certain expenses of the public service of Canada, not otherwise provided for, for the financial year ending the 31st day of March, 1967, and for other purposes connected with the public service: May it therefore please Your Majesty, that it may be enacted, and be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, that:

Short title.

1. This Act may be cited as the *Appropriation Act. No. 7, 1966.*

$1,662,982-791.93 granted for 1966-67.

2. From out of the Consolidated Revenue Fund, there may be paid and applied a sum not exceeding in the whole one billion, six hundred and sixty-two million, nine hundred and eighty-two thousand, seven hundred and ninety-one dollars and ninety-three cents, towards defraying the several charges and expenses of the public service, from the 1st day of April, 1966 to the 31st day of March, 1967, not otherwise provided for, and being the aggregate of

(*a*) four-twelfths of the total of the amounts of the Items set forth in the Main Estimates for the fiscal year ending 31st day of March, 1967, as laid before the House of Commons at the pres-

ent session of Parliament, *except* Finance Vote 15 for which the proportion is three-twelfths and Transport Vote 103 and Loans, Investments and Advances Vote L40 for which no proportion is granted hereby $1,252,481,028.67;

(*b*) four-twelfths of the total of the amounts of the several Items in the said Main Estimates set forth in Schedule A.....$4,299,333.33;

(*c*) three-twelfths of the total of the amounts of the several Items in the said Main Estimates set forth in Schedule B.....$1,902,250.00;

(*d*) two-twelfths of the total of the amounts of the several Items in the said Main Estimates set forth in Schedule C.....$25,681,300.00;

(*e*) one-twelfth of the total of the amounts of the several Items in the said Main Estimates set forth in Schedule D.....$16,293,229.17;

(*f*) seven-twelfths of the total of the amounts set forth in the Supplementary Estimates A for the fiscal year ending the 31st day of March, 1967, as laid before the House of Commons at the present session of Parliament.....$193,924,378.08;

(*g*) four-twelfths of the total of the amounts of the several Items in the said Supplementary Estimates set forth in Schedule E,...$5,709,522.67;

(*h*) two-twelfths of the total of the amounts of the several Items in the said Supplementary Estimates set forth in Schedule F...$8,459,333.34;

(*i*) one-twelfth of the amount of the Item in the said Supplementary Estimates set forth in Schedule G.....$966,666.67;

(*j*) seven-twelfths of the total of the amounts set forth in the Supplementary Estimates B for the fiscal year ending the 31st day of March, 1967, as laid before the House of Commons at the present session of Parliament.....$103,265,750.00;

(*k*) four-twelfths of the amount of the Item in the said Supplementary Estimates set forth in Schedule H.....$50,000,000.00.

Purpose and effect of each item.

3. The amount authorized by this Act to be paid or applied in respect of an item may be paid or applied only for the purposes and subject to any terms and conditions specified in the item, and the payment or application of any amount pursuant to the item has such operation and effect as may be stated or described therein.

Commitments.

4. Where an item in the said Estimates purports to confer authority to enter into commitments up to an amount stated therein, a commitment may be entered into in accordance with the terms of such item, if the Comptroller of the Treasury certifies that the amount of the commitment proposed to be entered into, together with all previous commitments entered into pursuant to this section, does not exceed the total amount of the commitment authority stated in such item.

Power to raise loan of $750,000,000 for public works and general purposes. R.S., c. 116.

5. The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament, by any Act heretofore passed, raise by way of loan, under the *Financial Administration Act*, by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rates of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money, not exceeding in the whole, the sum of seven hundred and fifty million dollars, as may be required for public works and general purposes.

Account to be rendered. R.S., c. 116.

6. Amounts paid or applied under the authority of this Act shall be accounted for in the Public Accounts in accordance with section 64 of the *Financial Administration Act*.

SCHEDULE A.

Based on the Main Estimates, 1966–67. The amount hereby granted is $4,299,333.33, being four-twelfths of the total of the amounts of the several items in the said Estimates as contained in this Schedule.

SUMS granted to Her Majesty by this Act for the financial year ending 31st March, 1967, and the purposes for which they are granted.

No. of Vote	Service	Amount	Total
		$	$
	DOMINION BUREAU OF STATISTICS		
10	1966 Quinquennial Census of Canada	9,000,000	
	MINES AND TECHNICAL SURVEYS		
	A—DEPARTMENT		
	GEOLOGICAL RESEARCH		
40	Construction or Acquisition of Buildings, Works, Land and Equipment	2,198,000	
	LOANS, INVESTMENTS AND ADVANCES		
	TRANSPORT		
	General		
L75	Advances to the Nanaimo Harbour Commission on terms and conditions approved by the Governor in Council to assist in financing the construction of an extension to the boat harbour at Commercial Inlet, Nanaimo, British Columbia	200,000	
L80	Advances to the Toronto Harbour Commissioners on terms and conditions approved by the Governor in Council to assist in financing the construction of a new general cargo marine terminal in Toronto Harbour	1,500,000	
			12,898,000*

* Net total $4,299,333.33

SCHEDULE B.

Based on the Main Estimates, 1966–67. The amount hereby granted is $1,902,250.00, being three-twelfths of the total of the amounts of the several items in the said Estimates as contained in this Schedule.

SUMS granted to Her Majesty by this Act for the financial year ending 31st March, 1967, and the purposes for which they are granted.

No. of Vote	Service	Amount	Total
		$	$
	MINES AND TECHNICAL SURVEYS		
	A—DEPARTMENT		
	ADMINISTRATION SERVICES		
15	Subventions in respect to Eastern Coal under Agreements entered into pursuant to the Atlantic Provinces Power Development Act	2,000,000	
	RESEARCH AND INVESTIGATIONS ON WATER RESOURCES		
70	Administration, Operation and Maintenance including Canada's share of the expenses of the International Executive Council, World Power Conference, authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of the Province of Manitoba and of the Province of Ontario of the cost of regulating the levels of Lake of the Woods and Lac Seul and the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, and $50,000 for Grants to Universities for Hydrologic Research	5,609,000	
			7,609,000*

* Net total $1,902,250.00.

SCHEDULE C.

Based on the Main Estimates, 1966–67. The amount hereby granted is $25,681,300.00, being two-twelfths of the total of the amounts of the several items in the said Estimates as contained in this Schedule.

SUMS granted to Her Majesty by this Act for the financial year ending 31st March, 1967, and the purposes for which they are granted.

No. of Vote	Service	Amount	Total
		$	$
	MINES AND TECHNICAL SURVEYS		
	A—DEPARTMENT		
	GEOGRAPHICAL SURVEYS AND RESEARCH		
55	Administration, Operation and Maintenance including the expenses of the Canadian Permanent Committee on Geographical Names, the National Advisory Committee on Geographical Research and the National Committee for Canada of the International Geographical Union, Canada's fee for membership in the International Geographical Union, and grants as detailed in the Estimates	962,300	
	RESEARCH AND INVESTIGATIONS ON WATER RESOURCES		
75	Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys	1,106,000	
	SECRETARY OF STATE		
	B—CENTENNIAL COMMISSION		
40	Programs and projects of national significance including grants towards such programs and projects	9,519,500	
	LOANS, INVESTMENTS AND ADVANCES		
	FINANCE		
L30	To provide for the purchase, acquisition, and holding by the Minister of Finance of securities issued by the Canadian Corporation for the 1967 World Exhibition pursuant to subsection 1 of section 12 of the Canadian Corporation for the 1967 World Exhibition Act and to subsequently dispose thereof	110,000,000	
	TRANSPORT		
	St. Lawrence Seaway Authority		
L95	Loans to the St. Lawrence Seaway Authority in such manner and subject to such terms and conditions as the Governor in Council may approve	32,500,000	
			154,087,800*

* Net total $25,681,300.

SCHEDULE D.

Based on the Main Estimates, 1966–67. The amount hereby granted is $16,293,229.17, being one-twelfth of the total of the amounts of the several items in the said Estimates as contained in this Schedule.

SUMS granted to Her Majesty by this Act for the financial year ending 31st March, 1967, and the purposes for which they are granted.

No. of Vote	Service	Amount	Total
		$	$
	AGRICULTURE		
	RESEARCH		
5	Administration, Operation and Maintenance including Canada's fee for membership in the International Society for Horticultural Science, an amount of $450,000 for grants in aid of agricultural research in universities and other scientific organizations in Canada and the costs of publishing departmental research papers as supplements to the "Canadian Entomologist"	27,973,500	
	LAND REHABILITATION, IRRIGATION AND WATER STORAGE PROJECTS		
	Irrigation and Water Storage Projects in the Western Provinces including the South Saskatchewan River Project, the Prairie Farm Rehabilitation Act Program, Land Protection, Reclamation and Development—		
55	Administration, Operation and Maintenance including Canada's fee for membership in the International Commission on Irrigation and Drainage	9,508,000	
	FINANCE		
	MUNICIPAL GRANTS		
10	Grants to Municipalities in accordance with the Municipal Grants Act and Regulations made thereunder, and grants to municipalities in lieu of redevelopment charges in accordance with terms and conditions prescribed by the Governor in Council	38,300,000	
	FISHERIES		
	FISHERIES MANAGEMENT AND DEVELOPMENT		
10	Construction or Acquisition of Buildings, Works, Land and Equipment, including acquisition of land for the International Pacific Salmon Fisheries Commission, as required by Article VIII of the Convention	4,822,000	
	JUSTICE		
1	Administration including the Office of the Superintendent of Bankruptcy, grants and contributions as detailed in the Estimates, gratuities to the widows or such dependents as may be approved by Treasury Board of Judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the Governments of the Northwest Territories and the Yukon Territory	2,719,950	

SCHEDULE D—*Continued*

No. of Vote	Service	Amount	Total
		$	$
	MINES AND TECHNICAL SURVEYS		
	A—DEPARTMENT		
	FIELD AND AIR SURVEYS, MAPPING AND AERONAUTICAL CHARTING		
20	Administration, Operation and Maintenance including purchases of air photography, the expenses of the Interdepartmental Committee on Air Surveys, the expenses of the National Advisory Committee on Control Surveys and Mapping, authority to make recoverable advances not exceeding the amount of the share of the United States Government of the cost of binding annual reports and maintaining boundary range lights, and grants as detailed in the Estimates.....	8,589,400	
	MARINE SURVEYS AND RESEARCH		
25	Administration, Operation and Maintenance including Canada's fee for membership in the International Hydrographic Bureau.....	9,181,200	
	GEOLOGICAL RESEARCH		
35	Administration, Operation and Maintenance including the expenses of the National Advisory Committee on Research in Geological Sciences, Canada's share of the cost of the Geological Liaison Office, British Commonwealth Scientific Conference, London, England, Canada's fee for membership in the International Union of Geological Sciences and $150,000 for grants in aid of Geological Research in Canadian Universities.....	6,927,000	
	MINING AND METALLURGICAL INVESTIGATIONS AND RESEARCH		
45	Administration, Operation and Maintenance including the expenses of the National Advisory Committee on Research in Mining and Mineral Processing, Canada's share of the cost of the Commonwealth Committee on Mineral Processing and $100,000 for grants in aid of Mining and Mineral Processing Research in Canadian Universities.....	5,640,700	
	RESEARCH IN ASTRONOMY AND GEOPHYSICS		
60	Administration, Operation and Maintenance including the expenses of the National Committee for Canada of the International Astronomical Union, Canada's fee for membership in the International Astronomical Union, and grants and contributions as detailed in the Estimates.....	2,638,000	
	RESEARCH AND INVESTIGATIONS ON WATER RESOURCES		
80	Contributions to the Provinces towards the construction of dams and other works to assist in the conservation and control of water resources in accordance with agreements entered into between Canada and the Provinces.....	10,715,000	
	GENERAL		
85	Polar Continental Shelf Project.....	1,695,000	

SCHEDULE D—*Concluded*

No. of Vote	Service	Amount	Total
		$	$
	NATIONAL FILM BOARD		
1	Administration, Production and Distribution of Films and other Visual Materials	6,781,500	
	NORTHERN AFFAIRS AND NATIONAL RESOURCES		
	NATURAL AND HISTORIC RESOURCES		
15	Administration, Operation and Maintenance including wildlife resources conservation and development, administration of the Migratory Birds Convention Act and payments to land owners who maintain migratory bird habitat in accordance with agreements entered into on terms and conditions approved by the Governor in Council, payment to the National Battlefields Commission for the purposes and subject to the provisions of an Act respecting the National Battlefields at Quebec, grants as detailed in the Estimates and authority to make expenditures on the proposed new National Park in the area of Kejimkujik Lake in Nova Scotia	15,587,400	
	TRANSPORT		
	A—DEPARTMENT		
	MARINE SERVICES		
5	Administration, Operation and Maintenance including fees for membership in the international organizations listed in the details of the Estimates, pensions, grants and contributions as detailed in the Estimates, the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen as defined in section 306 of the Canada Shipping Act and, in respect of the Canadian Coast Guard Service, authority to make recoverable advances for transportation, stevedoring and other shipping services performed on behalf of individuals, outside agencies and other governments and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $24,806,200	44,440,100	
			195,518,750*

* Net total $16,293,229.17.

SCHEDULE E.

Based on the Supplementary Estimates (A), 1966–67. The amount hereby granted is $5,709,522.67, being four-twelfths of the total of the amounts of the several items in the said Estimates as contained in this Schedule.

SUMS granted to Her Majesty by this Act for the financial year ending 31st March, 1967, and the purposes for which they are granted.

No. of Vote	Service	Amount	Total
		$	$
	AGRICULTURE		
	PRODUCTION AND MARKETING		
	Plant and Plant Products		
35a	Grants, Contributions and Subsidies as detailed in the Estimates	5,413,100	
	DEFENCE PRODUCTION		
	B—EMERGENCY MEASURES ORGANIZATION		
20a	Administration and Operation	400,000	
	FINANCE		
	ADMINISTRATION		
4a	Contributions to the Government of Manitoba for assistance in meeting costs relating to the flooding of the Red River in 1966 in accordance with cost-sharing arrangements to be determined by Canada in consultation with Manitoba	10,000,000	
	MINES AND TECHNICAL SURVEYS		
	A—DEPARTMENT		
	GEOLOGICAL RESEARCH		
40a	Construction or Aquisition of Buildings, Works, Land and Equipment	246,000	
	TRANSPORT		
	E—NATIONAL HARBOURS BOARD		
102a	To authorize, in accordance with terms and conditions approved by the Governor in Council, special assistance to firms displaced as a result of construction of the Saskatchewan Wheat Pool elevator in Vancouver Harbour, B.C.	188,468	
103a	To authorize expenditures by the National Harbours Board, either by itself or on behalf of or in cooperation with others, for certain purposes relating to the Canadian Universal and International Exhibition, Montreal, 1967, and to provide, notwithstanding sections 28 and 29 of the National Harbours Board Act, for an absolute grant to the Board for such purposes to be credited to the National Harbours Board Special Account	881,000	
			17,128,568*

* Net total $5,709,522.67.

SCHEDULE F.

Based on the Supplementary Estimates (A), 1966–67. The amount hereby granted is $8,459,333.34, being two-twelfths of the total of the amounts of the several items in the said Estimates as contained in this Schedule.

SUMS granted to Her Majesty by this Act for the financial year ending 31st March, 1967, and the purposes for which they are granted.

No. of Vote	Service	Amount	Total
		$	$
	FINANCE		
	GOVERNMENT ADMINISTRATION		
15a	Contingencies—To supplement other votes and to provide for miscellaneous minor and unforeseen expenses not otherwise provided for including awards under the Public Servants Inventions Act, subject to the approval of the Treasury Board, and authority to re-use any sums repaid to this appropriation from other appropriations	45,000,000	
	MINES AND TECHNICAL SURVEYS		
	A—DEPARTMENT		
	RESEARCH AND INVESTIGATIONS ON WATER RESOURCES		
75a	Construction or Acquisition of Buildings, Works, Land and Equipment	256,000	
	NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL		
10a	Scholarships and Grants in Aid of Research	5,500,000	
			50,756,000*

* Net total $8,459,333.34.

SCHEDULE G.

Based on the Supplementary Estimates (A), 1966–67. The amount hereby granted is $966,666.67, being one-twelfth of the item in the said Estimates as contained in this Schedule.

SUM granted to Her Majesty by this Act for the financial year ending 31st March, 1967, and the purpose for which it is granted.

No. of Vote	Service	Amount	Total
		$	$
	LOANS, INVESTMENTS AND ADVANCES		
	MINES AND TECHNICAL SURVEYS		
L40a	Advances in accordance with agreements entered into pursuant to the Atlantic Provinces Power Development Act.....	.....	11,600,000*

* Net total $966,666.67.

SCHEDULE H.

Based on the Supplementary Estimates (B), 1966–67. The amount hereby granted is $50,000,000.00, being four-twelfths of the item in the said Estimates as contained in this Schedule.

SUM granted to Her Majesty by this Act for the financial year ending 31st March, 1967, and the purpose for which it is granted.

No. of Vote	Service	Amount	Total
		$	$
	LOANS, INVESTMENTS AND ADVANCES		
	FINANCE		
L32b	To provide in the current and subsequent fiscal years for the purchase, acquisition, holding and disposition by the Minister of Finance of securities issued by the International Bank for Reconstruction and Development, the total cost of such securities that may be held by the Minister at any one time not to exceed.....	.....	150,000,000*

* Net total $50,000,000.

C-227.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-227.

An Act to authorize the payment of contributions by Canada towards the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

First reading, July 12, 1966.

THE MINISTER OF NATIONAL HEALTH AND WELFARE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24719

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-227.

An Act to authorize the payment of contributions by Canada towards the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

HER 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 *Medical Care Act*.

INTERPRETATION.

Definitions.

2. In this Act

"Contribution."

(*a*) "contribution" means a contribution by Canada pursuant to section 3;

"Insurable resident."

(*b*) "insurable resident" in relation to any province means an individual who is a resident of the province and is not excluded from the calculation of the population of the province by virtue of paragraph (*i*);

"Insured person."

(*c*) "insured person" in relation to any province means an insurable resident of the province who is entitled to insured services under a medical care insurance plan of the province;

"Insured services."

(*d*) "insured services" means all services rendered by medical practitioners that are medically required, except any services that a person is eligible for and entitled to under any other Act of the Parliament of Canada or under any law of a province relating to workmen's compensation;

"Medical care insurance plan."

(*e*) "medical care insurance plan" means a plan established pursuant to an Act of the legislature of a province that satisfies the criteria set forth in subsection (1) of section 4;

"Medical practitioner."

(*f*) "medical practitioner" means a person lawfully entitled to practice medicine in the place in which such practice is carried on by him;

"Minister."

(*g*) "Minister" means the Minister of National Health and Welfare;

"Participating province."

(*h*) "participating province" for any year means a province in which there is in operation in the year a medical care insurance plan in respect of which a contribution is payable by Canada to the province for the year pursuant to section 3;

"Population."

(*i*) "population" when used with reference to a province means the population of the province, as certified by the Dominion Statistician, calculated for any year as the population of the province on the first day of October in that year after excluding therefrom members of the Canadian forces, members of the Royal Canadian Mounted Police Force and persons serving a term of imprisonment in a penitentiary as defined in the *Penitentiary Act*;

"Resident."

(*j*) "resident" of a province means a person lawfully entitled to be or to remain in Canada, who makes his home and is ordinarily present in the province, but does not include a tourist, transient or visitor to the province; and

"Year."

(*k*) "year" means a twelve-month period ending on the thirty-first day of March, but in the case of the twelve-month period so ending that includes the 1st day of July, 1967, means the part of that period commencing on that day.

CONTRIBUTIONS.

Contribution payable.

3. A contribution is payable by Canada to each province in accordance with this Act, calculated for each year in respect of the cost of insured services incurred by the province in the year pursuant to a medical care insurance plan of the province.

Criteria to be satisfied by plan in respect of which contribution payable.

4. (1) A medical care insurance plan of a province in respect of which a contribution is payable by Canada to the province for a year pursuant to section 3 is a plan, established pursuant to an Act of the legislature of the province (hereinafter referred to as the "provincial law"), that throughout the year satisfies the following criteria:

(*a*) the plan is administered and operated on a non-profit basis by a public authority appointed or designated by the government of the province (hereinafter referred to as the "provincial authority"), that is responsible in respect of the administration and operation of the plan to the government of the province or to a provincial minister designated by the government of the province for such purpose, and that is subject in respect of its accounts and financial transactions to audit by such person as is charged by law with the audit of the accounts of the province;

(*b*) the plan provides for and is administered and operated so as to provide for the furnishing of insured services upon uniform terms and conditions to all insurable residents of the province, by the payment of amounts in respect of the cost of insured services in accordance with a tariff of authorized payments established pursuant to the provincial law or in accordance with any other system of payment authorized by the provincial law, on a basis that provides for reasonable compensation for insured services rendered by medical practitioners and that does not impede or preclude, either directly or indirectly whether by charges made to insured persons or otherwise, reasonable access to insured services by insured persons;

(*c*) the number of insurable residents of the province who are entitled under the plan to insured services is not less than 90% of the total number of insurable residents of the province, except that in applying this paragraph for the purpose of determining whether the plan satisfies the criteria set forth in this subsection throughout the third and each subsequent year after the year commencing on the 1st day of July, 1967, there shall be substituted for the expression "90%" in this paragraph the expression "95%"; and

(*d*) the plan does not impose any minimum period of residence in the province or any waiting period in excess of three months before persons who are or become residents of the province are eligible for or entitled to insured services, and the plan provides for and is administered and operated so as to provide for the payment of amounts in respect of the cost of insured services furnished to insured persons while temporarily absent from the province, and in the case of

persons who have ceased to be insured persons by reason of having become residents of another participating province, of the cost of insured services furnished to such persons during any minimum period of residence or waiting period imposed by the medical care insurance plan of that other province, on the same basis as though such persons had not been absent from the province or had not ceased to be residents of the province, as the case may be.

Responsibilities of provincial authority in relation to administration.

(2) Notwithstanding paragraph (*a*) of subsection (1), a plan established by an Act of the legislature of a province does not fail to satisfy the criteria set forth in that paragraph by reason only that it authorizes the designation by the provincial authority of an agency or agencies to carry out any responsibility in connection with the receipt and payment of accounts rendered for insured services or authorizes any agency or agencies so designated to receive premiums or other amounts payable under the provincial law for remission to the provincial authority, if under the provincial law it is a condition of any such designation that all individual accounts so rendered to which the designation extends are subject to assessment and approval by the provincial authority and that the amounts to be paid in respect thereof shall be determined by the provincial authority.

CALCULATION OF CONTRIBUTIONS.

Amount of contribution.

5. (1) The amount of the contribution payable by Canada to a province for a year in respect of a medical care insurance plan of the province is an amount, as determined by the Minister on the basis of information furnished as required by this Act, equal to 50% of

(*a*) the per capita cost for the year of all insured services furnished pursuant to medical care insurance plans of participating provinces

multiplied by

(*b*) the average for the year of the number of insured persons in the province at the end of each month in the year.

Calculation of per capita cost.

(2) The per capita cost for a year of all insured services furnished pursuant to medical care insurance plans of participating provinces is an amount equal to

(*a*) the aggregate of the costs of insured services incurred by each of the participating provinces in the year pursuant to medical care insurance plans of those provinces,

divided by

(*b*) the aggregate of the averages for the year of the numbers of insured persons in each of the participating provinces at the end of each month in the year.

Calculation of number of insured persons.

(3) The average for a year of the number of insured persons in a province at the end of each month in the year is an amount calculated as follows:

(*a*) in the case of a province having no means of determining, through a system of registration or premium payments, the number of insured persons in the province at a particular time in the year, by multiplying

(i) the population of the province for the year divided by the number of months in the year

by

(ii) the number of full months in the year during which insured services were furnished pursuant to the medical care insurance plan of the province;

(*b*) in the case of a province having a means of determining, through a system of registration or premium payments, the number of insured persons in the province at a particular time in the year, by dividing

(i) the aggregate of the numbers of insured persons estimated by the province to have been in the province at the end of each full month in the year during which insured services were furnished pursuant to the medical care insurance plan of the province

by

(ii) the number of months in the year; and

(*c*) in the case of a province that for part of the year was a province described in paragraph (*a*) and for another part of the year was a province described in paragraph (*b*), by adding

(i) the number obtained by the application of paragraph (*a*) in respect of that part of the year during which the province was a province described in paragraph (*a*), and

(ii) the number obtained by the application of paragraph (*b*) in respect of that part of the year during which the province was a province described in paragraph (*b*).

Calculation of cost incurred by province.

(4) In calculating for the purposes of this Act the cost of insured services incurred by a province in a year pursuant to a medical care insurance plan of the province, there shall not be included

(*a*) the cost of any insured service furnished before the 1st day of July, 1967;
(*b*) any cost of administration of the plan; or
(*c*) any premium or other amount payable by an insured person in respect of the cost of insured services;

and there shall be deducted any amount paid in the year to or to the credit of the province or the provincial authority or into any account or fund established in connection with the administration or operation of the plan, otherwise than as a premium or other amount not related to the cost of specific insured services, in respect of the cost of insured services furnished pursuant to the plan.

ADVANCES AND PAYMENT.

Information required for payment of advances and other amounts.

6. (1) It is a condition of payment of any amount as or on account of a contribution by Canada to a province for a year in respect of a medical care insurance plan of the province

(*a*) that the provincial authority will
(i) on or before the 1st day of July, 1967 or the date of commencement of the plan, whichever is the later, in the case of the year that includes the later of those dates, and
(ii) on or before the thirty-first day of December immediately preceding the commencement of the year, in the case of each year subsequent to the year that includes the later of the dates referred to in subparagraph (i),

furnish to the Minister such information as is required by him for the purpose of determining the estimated cost of insured services incurred by the province in the year pursuant to the plan; and

(*b*) that the provincial authority will, within six months after the end of the year or within such extended time thereafter as the Minister may in special circumstances determine, furnish to the Minister such information as is required by him for the purpose of determining the actual cost of insured services incurred by the province in the year pursuant to the plan.

Determination of estimated contribution and payment of advances on account thereof.

(2) On the basis of the information furnished as required by paragraph (*a*) of subsection (1) with respect to the medical care insurance plan of a province, the Minister shall determine the estimated amount of the contribution by

Canada to the province for the year to which that information relates and monthly advances on account thereof, the amount of each of which shall be not less than 90% of the estimated amount of the contribution so determined divided by the number of months in the year that are after the month preceding the date of commencement of the plan, shall, on the certificate of the Minister, be paid to the province by the Minister of Finance out of the Consolidated Revenue Fund.

Determination and payment of actual contribution.

(3) On the basis of the information furnished as required by paragraph (*b*) of subsection (1) with respect to the medical care insurance plan of a province, the Minister shall determine the actual amount of the contribution by Canada to the province for the year to which that information relates and any balance then remaining on account thereof that is certified by the Minister to be payable to the province shall be paid to the province by the Minister of Finance out of the Consolidated Revenue Fund, and any amount by which the aggregate of the advances made on account thereof pursuant to subsection (2) exceeds the actual amount of the contribution so determined shall be recovered out of any moneys payable to the province for any other year under this Act or may otherwise be recovered as a debt due to Canada by the province.

Determination of question as to whether contribution payable.

7. (1) Where any question arises under this Act as to whether a plan established pursuant to an Act of the legislature of a province satisfies or has ceased to satisfy the criteria set forth in subsection (1) of section 4, the question shall upon the report of the Minister be referred to the Governor in Council, who shall, after considering the report and such other information or evidence relevant to the question as is available to him, determine the question; and where it is determined pursuant to this section that a plan does not or has ceased to satisfy the criteria set forth in subsection (1) of section 4, a copy of the order of the Governor in Council evidencing the determination and setting forth the particulars in respect of which the plan does not or has ceased to satisfy those criteria shall forthwith be communicated to the government of the province.

Advances, etc., not recoverable by Canada.

(2) Notwithstanding anything in this Act, where it is determined pursuant to this section that a plan established by an Act of the legislature of a province has ceased to satisfy the criteria set forth in subsection (1) of section 4, any advance or other payment under this Act made by Canada to the province before the date of the making of the determination is not recoverable by Canada.

Payment of Contributions for Years Commencing after March 31, 1972.

Review of provisions of Act respecting payment of contributions for years after March 31, 1972.

8. At least six months before the 31st day of March, 1972, the Government of Canada shall review the provisions of this Act respecting the amount and manner of payment of the contributions payable by Canada pursuant to section 3 with a view to formulating proposals for any changes therein that appear then to be necessary or desirable with respect to the amount and manner of payment, whether by the transfer or allocation of specified tax revenues by Canada and the making of equalization payments and other fiscal adjustments by Canada in lieu of the contributions that would otherwise be payable pursuant to section 3 or in any other manner, of the contributions to be paid by Canada pursuant to this Act for years commencing after that day.

Report to Parliament.

Annual report by Minister.

9. The Minister shall, as soon as possible after the termination of each year and in any event not later than the 31st day of December next following the end of that year, prepare a report respecting the operation of this Act for that year and shall cause such report to be laid before Parliament forthwith upon the completion thereof or, if Parliament is not then sitting, within the first fifteen days next thereafter that Parliament is sitting.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966

THE HOUSE OF COMMONS OF CANADA.

BILL C-228.

An Act to amend the Criminal Code
(Harassing telephone communications).

First reading, July 13, 1966.

Mr. MATHER.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24457

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-228.

An Act to amend the Criminal Code (Harassing telephone communications).

1953-54, cc. 51, 52; 1955, cc. 2, 45; 1956, c. 48; ss. 19, 20; 1957-58, c. 28; 1958, c. 18; 1959, cc. 40, 41; 1960, c. 37 and c. 45, s. 21; 1960-61, cc. 21, 42, 43, 44; 1962-63, c. 4; 1963, c. 8; 1964-65, c. 22, s. 10 and cc. 35, 53.

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

1. Section 315 of the *Criminal Code* is amended by adding thereto the following subsection:

Harassing telephone communications.

"(3) Everyone who, with intent to harass or torment another person, repeatedly contacts such person by means of telephone communication or causes such person to be repeatedly contacted by means of telephone communication is guilty of an indictable offence and liable to a fine not exceeding five hundred dollars or to a term of imprisonment not exceeding six months or to both fine and imprisonment."

Explanatory Notes.

The telephone provides a necessary means of communication in modern society. However, the telephone also provides a means for some persons to invade from the outside the privacy of the home. Very often complaints are filed of abusive telephone calls that threaten, harass, or torment the recipient. No person should have to tolerate this invasion of his privacy.

On the other hand, use of the telephone is closely tied to freedom of speech. It would be unwise to place too severe limitations on the use of the telephone.

Parliament has already provided for the case of indecent telephone calls in section 315 of the *Criminal Code* and for the case of threatening telephone calls in section 316 of the said Code.

The purpose of this Bill is to amend section 315 of the *Criminal Code* so as to provide for the punishment of everyone who, with intent to harass or torment another person, repeatedly contacts such person by means of telephone communication.

Sections 315 and 316 read as follows:

"**315.** (1) Every one who, with intent to injure or alarm any person, conveys or causes or procures to be conveyed by letter, telegram, telephone, cable, radio, or otherwise, information that he knows is false is guilty of an indictable offence and is liable to imprisonment for two years.

(2) Every one who, with intent to alarm or annoy any person, makes any indecent telephone call to such person is guilty of an offence punishable on summary conviction."

"**316.** (1) Every one commits an offence who by letter, telegram, telephone cable, radio, or otherwise, knowingly utters, conveys or causes any person to receive a threat

(*a*) to cause death or injury to any person, or

(*b*) to burn, destroy or damage real or personal property, or

(*c*) to kill, main, wound, poison or injure an animal or bird that is the property of any person.

(2) Every one who commits an offence under paragraph (*a*) of subsection (1) is guilty of an indictable offence and is liable to imprisonment for ten years.

(3) Every one who commits an offence under paragraph (*b*) or (*c*) of subsection (1) is guilty of

(*a*) an indictable offence and is liable for imprisonment for two years, or

(*b*) an offence punishable on summary conviction."

C-229.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-229.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1965 to the 30th day of June, 1967, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

First reading, July 14, 1966.

THE MINISTER OF FINANCE.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24559

1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-229.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1965 to the 30th day of June, 1967, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

HER 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 *Canadian National Railways Financing and Guarantee Act, 1965-1966.*

INTERPRETATION.

Definitions.

2. In this Act,

"National Company."

(*a*) "National Company" means the Canadian National Railway Company;

"National System."

(*b*) "National System" means the National Railways as defined in the *Canadian National Railways Act* and any companies controlled by the National Company through stock ownership; and

"Securities."

(*c*) "securities" means the notes, equipment trust certificates, bonds, debentures and other securities, described in subsection (1) of section 4.

CAPITAL EXPENSE.

Capital expenditures authorized for 1965 and 1966.

3. (1) The National System is authorized,

(*a*) to make capital expenditures not exceeding in the aggregate $161,600,000 in the calendar year

1965 and not exceeding in the aggregate $192,000,000 in the calendar year 1966, in the following estimated amounts for the purposes of capital investment:

(i) *Estimated requirements in the calendar year 1965:*

Road property	$60,560,000
Branch lines	300,000
Equipment	76,642,000
Telecommunications	16,450,000
Hotels	6,548,000
Investment in affiliated companies	1,100,000

(ii) *Estimated requirements in the calendar year 1966:*

Road property	$63,202,000
Branch lines	7,745,000
Equipment	97,235,000
Telecommunications	15,364,000
Hotels	6,954,000
Investment in affiliated companies	1,500,000

Capital expenditures in 1967.

(*b*) to make capital expenditures not exceeding in the aggregate $126,000,000 in the calendar year 1967 prior to the 1st day of July of that year, by investing in securities of Air Canada to enable Air Canada to discharge obligations that were incurred prior to that year and have become due and payable before that day, and to discharge obligations that were incurred by the National Company prior to that year and have become due and payable before that day; and

Contracts for new equipment, etc., prior to July 1, 1967.

(*c*) to enter into contracts prior to the 1st day of July, 1967, for the acquisition of new equipment and for general additions and conversions that will come in course of payment after the calendar year 1966, in amounts not exceeding in the aggregate $90,000,000.

Power to borrow money.

(2) The National Company, with the approval of the Governor in Council, is authorized

(*a*) at any time prior to the 1st day of July, 1967, to borrow money by the issue and sale of securities or by way of loan from the Minister of

Finance to provide the amounts required by Air Canada for the purposes mentioned in paragraph (*b*) of subsection (1); and

(*b*) by the issue and sale of securities, to borrow money to repay loans made under section 6.

Statement of amounts borrowed.

(3) A statement of the amounts borrowed by the National Company pursuant to this section shall be included in the annual report of the National Company.

Estimate of amounts required.

(4) An estimate of the amounts required for the purposes of paragraph (*b*) of subsection (1) shall be included in the annual budget of the National System for the calendar year 1967.

Amount payable included in budget.

(5) Any amount payable under a contract entered into pursuant to paragraph (*c*) of subsection (1) shall be included in the annual budget of the National System for the year in which it will become due and payable.

Limitations.

(6) No amounts shall be spent for a purpose mentioned in this section in excess of the aggregate amount authorized by this section in respect of that purpose, and for the purposes of this subsection any expenditure made under paragraph (*b*) of subsection (1) of section 3 of the *Canadian National Railways Financing and Guarantee Act, 1964* shall be deemed to be an expenditure under subparagraph (i) of paragraph (*a*) of subsection (1) of this section.

Issue of securities.

4. (1) Subject to this Act and with the approval of the Governor in Council, the National Company may issue notes, equipment trust certificates, bonds, debentures or other securities, bearing such rates of interest and subject to such other terms and conditions as the Governor in Council may approve, to provide amounts required by Air Canada for the purposes mentioned in section 3.

Application of amounts available.

(2) Amounts provided for depreciation and debt discount amortization shall be applied towards meeting the expenditures authorized by section 3, other than those required by Air Canada.

Maximum amount of securities.

(3) The aggregate principal amount of securities issued under this section outstanding at any one time shall not exceed $50,000,000 and for the purposes of this subsection any securities issued under the *Canadian National Railways Financing and Guarantee Act, 1964*, in respect of the amounts required for capital expenditures under paragraph (*b*) of subsection (1) of section 3 of that Act, shall be deemed to have been issued under this section.

Guarantees.

Guarantee.

5. (1) The Governor in Council may authorize the guarantee by Her Majesty in right of Canada of the principal and interest of the securities mentioned in section 4 and may approve or decide the form, manner and conditions of such guarantees.

Signature of guarantee.

(2) A guarantee under this Act may be signed on behalf of Her Majesty by the Minister of Finance or by such other person as the Governor in Council may designate, and such signature is conclusive proof for all purposes that the guarantee is valid and that the relative provisions of the Act have been complied with.

Loans.

Minister may make loans to the National Company.

6. (1) The Minister of Finance, upon application by the National Company approved by the Minister of Transport, may, with the approval of the Governor in Council, make loans to the National Company out of the Consolidated Revenue Fund of amounts required by Air Canada for the purposes mentioned in section 3 at such rates of interest and subject to such other terms and conditions as the Minister of Finance, with the approval of the Governor in Council, may determine, and secured by securities that the National Company is authorized to issue pursuant to this Act.

Maximum.

(2) The aggregate principal amount of loans made pursuant to subsection (1) shall not exceed $50,000,000.

Securities for payment.

(3) Securities issued to secure a loan made by the Minister of Finance under this section are deemed not to be included in the amount specified in subsection (3) of section 4 if securities have been issued and sold to repay that loan.

General

Power to aid other companies.

7. The National Company may aid and assist, in any manner not inconsistent with section 3, any others of the companies and railways comprised in the National System and, without limiting the generality of the foregoing, may for its own requirements and also for the requirements of any others of the said companies and railways

(*a*) apply the proceeds of any issue of securities towards meeting expenditures authorized by section 3 on its own account or on account of any others of the said companies and railways; and

(*b*) make advances of amounts required for meeting expenditures authorized by section 3 to any others of the said companies and railways upon or without any security, at discretion.

Proceeds paid to credit of Minister of Finance in trust.

8. The proceeds of any sale, pledge or other disposition of any guaranteed securities shall, in the first instance, be paid into the Consolidated Revenue Fund or shall be deposited to the credit of the Minister of Finance, in trust for the National Company, in one or more banks designated by him, and upon application to the Minister of Finance by the National Company approved by the Minister of Transport, shall be paid to the National Company by the Minister of Finance out of the Consolidated Revenue Fund, or on instructions from the Minister of Finance by the banks in which they are deposited, as the case may be, for the purposes stated in such application.

Minister may place amounts at disposal of Company.

9. (1) Where, at any time before the 1st day of July, 1967, the available revenues of the National System are not sufficient to pay all the operating and income charges of the National System as and when due, the Minister of Finance, upon application by the National Company approved by the Minister of Transport, may, with the approval of the Governor in Council, place at the disposal of the National Company such amounts as may be required to enable the National Company to meet all such charges.

Reimbursement from annual revenues.

(2) All amounts placed at the disposal of the National Company pursuant to subsection (1) shall be reimbursed to the Minister of Finance from the annual revenues of the National System in so far as such revenues are sufficient, and any insufficiency shall be provided for by subsequent deficit appropriation by Parliament.

Amounts at disposal of Air Canada.

10. (1) Where, at any time before the 1st day of July, 1967, the available revenues of Air Canada are not sufficient to pay all the operating and income charges thereof as and when due, the Minister of Finance, upon application by Air Canada approved by the Minister of Transport, may, with the approval of the Governor in Council, place at the disposal of Air Canada such amounts as may be required to enable Air Canada to meet all such charges.

Reimbursement from annual revenues.

(2) All amounts placed at the disposal of Air Canada pursuant to subsection (1) shall be reimbursed to the Minister of Finance from the annual revenues of Air Canada in so far as such revenues are sufficient, and any insufficiency shall be provided for by subsequent deficit appropriation by Parliament.

Extension of period in respect of which no interest is payable.

11. Notwithstanding anything in section 4 of the *Canadian National Railways Capital Revision Act* or in any instrument in writing delivered by the National Company pursuant thereto, interest shall not be payable by the National Company on the sum of one hundred million dollars mentioned therein in respect of the further period of two years commencing on the 1st day of January, 1966.

Continuing application of R.S., c. 311, s. 6(1) for additional period.

12. Notwithstanding anything in the *Canadian National Railways Capital Revision Act* or in any other Act, subsection (1) of section 6 of the *Canadian National Railways Capital Revision Act* applies in respect of the 1966 and 1967 fiscal years of the National Company.

Auditors.

13. The firm of Touche, Ross, Bailey and Smart, of the Cities of Toronto and Montreal, Chartered Accountants, is appointed as independent auditors to make a continuous audit of the accounts for the years 1966 and 1967 of National Railways as defined in the *Canadian National Railways Act.*

C-230.

First Session, Twenty-Seventh Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-230.

An Act to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between Railway Companies and their employees.

First reading, August 29, 1966.

THE PRIME MINISTER.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

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1st Session, 27th Parliament, 14-15 Elizabeth II, 1966.

THE HOUSE OF COMMONS OF CANADA.

BILL C-230.

An Act to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between Railway Companies and their employees.

Preamble.

WHEREAS the processes of negotiation, conciliation and mediation between the railway companies and the bargaining agents of non-operating employees and certain operating employees of the railway companies have failed to produce agreement;

AND WHEREAS the operation of the railways and subsidiary services has been suspended and the vital interests of the people of Canada and the welfare of the nation, including international trade, are imperilled by such suspension;

AND WHEREAS it is essential to protect the interests of the people of Canada and the welfare of the nation that operation of the railways be resumed immediately and that for this purpose, having regard to the interests of the railway companies and the employees, provision be made for terms and conditions of employment for the year 1966, for the resumption of the processes of negotiation and mediation and for the final settlement of terms and conditions of employment for the years 1966 and 1967;

NOW, THEREFORE, Her 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 *Maintenance of Railway Operation Act, 1966.*

Definitions.

2. (1) In this Act,

"Collective agreement to which this Act applies."

(*a*) "collective agreement to which this Act applies" means a collective agreement between a railway company and a union that expired on December 31, 1965, the renewal or revision of which was the subject of proceedings before a Conciliation Board the report of which was received by the Minister of Labour in July or August, 1966;

"Employee."

(*b*) "employee" means a non-operating employee or an operating employee;

"Non-operating employee."

(*c*) "non-operating employee" means an employee of a railway company bound by a collective agreement to which this Act applies to which a union listed in Schedule B is a party, or on whose behalf such a collective agreement has been entered into between the railway company and such a union representing the employee;

"Operating employee."

(*d*) "operating employee" means an employee of a railway company bound by a collective agreement to which this Act applies to which a union listed in Schedule C is a party, or on whose behalf such a collective agreement has been entered into between the railway company and such a union representing the employee;

"Railway company."

(*e*) "railway company" means a company listed in Schedule A; and

"Union."

(*f*) "union" means a trade union listed in Schedule B or Schedule C and any trade union substituted for a trade union listed in Schedule B or Schedule C as a party to a collective agreement to which this Act applies.

Words and expressions.

(2) Unless otherwise provided, words and expressions used in this Act have the same meaning as in the *Industrial Relations and Disputes Investigation Act*.

Railway services to be resumed.

3. Forthwith upon the coming into force of this Act, every railway company shall resume operation of the railway and subsidiary services the operation of which is suspended by reason of the strike now existing and employees now on strike shall resume the duties of their employment with the railway companies.

Return to work not to be denied and strikers not to be discharged.

4. No person acting on behalf of a railway company shall

(*a*) refuse to permit, or authorize or direct another person to refuse to permit, an employee who went on strike before the coming into force of this Act to resume the duties of his employment forthwith, or

(*b*) discharge or in any other manner discipline, or authorize or direct another person to discharge or in any other manner discipline such an employee

by reason of his having been on strike before the coming into force of this Act.

Union representatives to give notice that previous strike declaration, etc. has become invalid.

5. Each person who at the beginning of the strike of employees existing at the coming into force of this Act was authorized on behalf of a union to bargain collectively with a railway company for the revision or amendment of a collective agreement to which this Act applies, shall forthwith give notice to the members of the union that any declaration, authorization or direction to go on strike, declared, authorized or given to them before the coming into force of this Act has become invalid by reason of the coming into force of this Act.

Terms of collective agreements amended.

6. The terms and conditions of each collective agreement to which this Act applies are amended forthwith by increasing

(*a*) each rate of wages in effect on December 31, 1965, established by or pursuant to the agreement in the case of an agreement binding or entered into on behalf of non-operating employees, and

(*b*) each basic daily rate in effect on December 31, 1965, established by or pursuant to the agreement in the case of an agreement binding or entered into on behalf of operating employees

by four per cent effective January 1, 1966, and an additional four per cent effective July 1, 1966.

Term of collective agreements extended.

7. (1) Subject to this Act, the term of each collective agreement to which this Act applies is extended to include the period beginning January 1, 1966 and ending on the day on which a new collective agreement entered into between the parties thereto in amendment or revision thereof comes into effect, or on December 31, 1967, whichever is the earlier.

Agreement to be binding for extended term.

(2) The terms and conditions of a collective agreement to which this Act applies, amended as provided by this Act, shall be effective and binding on the parties thereto for the period mentioned in subsection (1) notwithstanding anything contained in the *Industrial Relations and Disputes Investigation Act* or in the agreement, and that Act shall apply in respect of the agreement as so amended as if the period for which the agreement is extended by this section were the term of the agreement.

Railway companies and unions to negotiate.

8. The railway companies and unions shall forthwith enter into negotiations with a view to the settlement of any matters presently in dispute between them as to the terms and conditions of an amendment or revision of the collective agreements to which this Act applies, and shall negotiate in good faith with one another and make every reasonable effort to conclude a settlement and to enter into new collective agreements in amendment or revision of the collective agreements to which this Act applies, but in no event shall any such new collective agreement expire before December 31, 1967.

Appointment of mediator.

9. (1) The Minister of Labour shall appoint a mediator or mediators (hereinafter referred to as the "mediator") who shall forthwith endeavour to mediate the matters in dispute between the railway companies and the unions and to bring about agreement between them and who shall report to the Minister of Labour, not later than November 15, 1966, on the progress of the negotiations between the railway companies and the unions.

Continuation of mediation after November 15, 1966.

(2) If the mediator reports to the Minister of Labour that favourable progress in negotiations has been made, the Governor in Council may direct the mediator to continue mediation and to make a further report to the Minister of Labour at such time as the Governor in Council, on the recommendation of the Minister of Labour, may direct.

Powers of mediator.

(3) The mediator appointed under this section has all the powers conferred on a Conciliation Board under sections 33 and 34 of the *Industrial Relations and Disputes Investigation Act* for the purpose of conciliation proceedings, and no person shall hinder or obstruct him in the exercise of any such powers or refuse to answer an interrogation made by him in the exercise thereof.

Regulations.

10. (1) On the recommendation of the Minister of Labour following receipt of a report of the mediator under section 9, the Governor in Council may make regulations

(*a*) for referring to a board of three arbitrators appointed by the Governor in Council, one of whom shall be designated as chairman, such matters relating to the revision or amendment of the collective agreements to which this Act applies as the parties thereto may request or as the Governor in Council may deem expedient; and

(*b*) providing for the powers of the board of arbitrators appointed under paragraph (*a*), the procedure to be followed for the purposes of arbitration, the form in which decisions of the

board shall be set forth and for giving effect to any decision by the board of arbitrators, by a majority of that board, or by the chairman of the board where no majority decision is reached.

Incorporation in collective agreement of decisions of board of arbitrators.

(2) In the event that a board of arbitrators is appointed under paragraph (*a*) of subsection (1) and decides any matter not agreed upon between a railway company and a union at the time of its decision, the collective agreement to which this Act applies between the railway company and the union shall be deemed to be amended by the incorporation therein of such decision, but nothing in this section shall be deemed to limit or restrict the rights of parties to the agreement to agree to vary or amend any of the terms of the agreement as so amended and to give effect thereto.

Tabling regulations in Commons.

11. (1) A regulation under section 10 establishing a board of arbitrators shall be laid before the House of Commons not later than five days after the day the regulation is made or, if that House is not then sitting, within the first five days next thereafter that the House of Commons is sitting and the regulation becomes effective on the tenth sitting day of Parliament after the day the regulation is laid before the House of Commons unless the regulation is before that day revoked pursuant to subsection (2).

Revocation by resolution.

(2) Where a regulation under section 10 establishing a board of arbitrators has been laid before the House of Commons, a notice of motion in that House, praying that the regulation be revoked, signed by ten members thereof, and made in accordance with the rules of that House within five days of the day the regulation was laid before it shall be debated in that House at the first convenient opportunity within the three sitting days after the motion was made in that House; and if that House resolves that the regulation be revoked, the regulation is thereupon revoked and of no force or effect.

SCHEDULE A.

Canadian National Railways
Canadian Pacific Railway Company
Dominion Atlantic Railway Company
Esquimalt and Nanaimo Railway Company
Northern Alberta Railways Company
Ontario Northland Railway
Quebec Central Railway Company
The Cumberland Railway Company (Sydney and Louisburg Division)
The Midland Railway Company of Manitoba
Algoma Central Railway
Toronto, Hamilton and Buffalo Railway Company
Toronto Terminals Railway Company
Shawinigan Falls Terminal Railway Company

SCHEDULE B.

Brotherhood of Maintenance of Way Employees

Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees

Brotherhood of Railroad Signalmen

Transportation-Communication Employees Union

The Commercial Telegraphers' Union

International Brotherhood of Firemen and Oilers Helpers, Roundhouse and Railway Shop Employees

Brotherhood of Sleeping Car Porters, Train, Chair Car, Coach Porters and Attendants

Division No. 4, Railway Employees' Department, A.F. of L.—C.I.O.

Canadian National Railway System Federation No. 11

Canadian National Railway Western Region Federation

International Association of Machinists

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers of America

Brotherhood of Railway Carmen of America

International Brotherhood of Electrical Workers

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada

International Molders' and Allied Workers' Union

Sheet Metal Workers' International Association

Canadian Brotherhood of Railway, Transport and General Workers

SCHEDULE C.

Brotherhood of Railroad Trainmen