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No. 70.

1st Session, 1st Parliament, 21 Victoria, 1868.

BILL.

An Act to confirm the amalgamation of the Commercial Bank of Canada and the Merchants' Bank, and to consolidate the Acts of Incorporation of the said Banks.

(PRIVATE BILL.)

Hon. Mr. ABBOTT.

OTTAWA,

An Act to confirm the Amalgamation of the Commercial Bank of Canada and the Merchants' Bank; and to amend and consolidate the Acts of Incorporation of the said Banks.

WHEREAS, under and by virtue of the provisions of the Act of the present Session of Parliament, intituled, "An Act to amend the Act of Incorporation of the Commercial Bank of Canada, to authorize its amalgamation with any other Banks, or for its winding up," the Commercial Bank of Canada entered into an agreement of amalgamation with the Merchants' Bank, thereby forming one Corporation under the name of the "Merchants' Bank of Canada," which agreement was confirmed by the shareholders of the said two Banks as provided by the said Act; And, whereas, an indenture, setting forth the terms thereof, was duly executed by the said Banks on the twenty-seventh day of February last past, and a duplicate of such indenture duly filed in the office of the Secretary of State for Canada; and the said amalgamation was completed and took effect upon, from, and after, the second day of March last past.

And, whereas, the said Merchants' Bank of Canada has, by its petition, represented that it is for the interest of the shareholders and others interested in the said Banks, and of the public, that the said amalgamation should be confirmed, the Acts of Incorporation of the said Amalgamated Banks consolidated, their issue of bank notes called in and redeemed, the period of their incorporation extended, and other provisions hereinafter contained, enacted for the better conduct and management of the said Merchants' Bank of Canada, and have prayed that under the said circumstances an Act of the Parliament of Canada should be passed to contain the provisions hereinafter mentioned; And, whereas it is expedient that the prayer of the said petition be granted; Therefore, Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. The said indenture of amalgamation, and the said amalgamation of the said Commercial Bank of Canada and of the Merchants' Bank by virtue thereof, and of the proceedings thereafter had, are hereby ratified and confirmed: And the said amalgamated Banks and the shareholders therein, and in the Corporation thereby created, and their assigns, shall have been deemed to have been, upon and from the second day of March last past, and hereafter to be, a Corporation, body corporate and politic, by the name of "The Merchants' Bank of Canada," and shall continue to be such Corporation, and shall have perpetual succession and a corporate seal, with power to alter and change the same at pleasure, and may sue and be sued, implead or be impleaded in all Courts of Law and Equity as other corporations may, and shall have the power to acquire and hold real and immoveable estate for the management of their business, not exceeding the yearly value of forty thousand dollars currency, and may sell, alienate or exchange the same, and acquire other instead, and may make, ordain and establish such rules, regulations and by-laws as to them shall seem meet and necessary for the due and proper administration of their affairs, and the

Preamble.

Amalgamation of Commercial Bank and Merchants' Bank confirmed.

Proviso.

due management of the said Bank (such by-laws and regulations not being inconsistent with this Act or contrary to the laws of the Province); Provided, however, that such rules, regulations and by-laws shall be submitted for approval to the stockholders or shareholders in the said Bank at their regular annual meeting, or at a special general meeting thereof duly called for the purpose. 5

Shareholders to be shareholders of Merchants' Bank.

2. By virtue of the said amalgamation the shareholders of the said Banks became and are shareholders in the said Merchants' Bank of Canada, in the amounts and according to the relative values of the stocks of the said amalgamated Banks, as provided for and set forth in the said indenture and union, in lieu of and in proportion to the amount of their shares in the said amalgamated Banks; and each share in the capital stock in the said Merchants' Bank of Canada shall entitle the holder thereof to one vote at all general meetings of the shareholders of the said Bank, unless he shall be in default in respect of any calls upon such share, and all the estate and effects, real and personal, rights, property, credits, choses in action, claims and demands of whatsoever nature or quality, or wherever situate of the said Commercial Bank of Canada, and of the Merchants' Bank, thereby became and are vested in the said Merchants' Bank of Canada, its successors or assigns as and for its own use absolutely, and it may in its own name sue for, collect, and get in, all and every part of the said estate, rights and effects. And the said Merchants Bank of Canada thereby became and was and is subject and liable to pay and discharge all of the debts, obligations, bills and promissory notes or other liabilities of each of the said amalgamated Banks, and may be directly sued and proceeded against in respect thereof, as fully and effectually as if the same were originally the debts, obligations, promissory notes and liabilities of the said Merchants' Bank of Canada, and shall be taken and construed so to be; Provided always, however, that the said Bank shall have power, by a by-law or by-laws to be made as hereinafter provided, to call in the outstanding bills of the said amalgamated Banks within such delay, not less than two years, as may be fixed by such by-law, and for the extinction of its liability for such bills, as shall not be produced for redemption during the said period, or during any further period to which such delay shall be extended by any subsequent by-law of the said Bank. 15 20 25 30 35 40

Capital Stock

3. The Capital Stock of the said Bank shall be Six Millions of 40 Dollars, divided into sixty thousand shares of one hundred dollars each, which said shares shall be, and are hereby, vested in the several persons now entitled thereto, or who shall hereafter subscribe for the same, their heirs, legal representatives and assigns; and the subscription for so many of the said shares as shall be unsubscribed for when this Act shall come into force, shall be made in such proportions or numbers and at such times and places, and under such regulations, and at such rate of premium, to be paid by the subscribers, over and above the amount of the shares, and upon such terms and conditions, as shall be provided by a by-law or by-laws, made in conformity with the third, fourth and sixth paragraphs of section two of the said Act. And Executors, Administrators and Curators paying instalments upon Shares of deceased Shareholders, shall be and are hereby respectively indemnified, for paying and are required to pay the same: Provided, always, that no share shall be held to be lawfully subscribed for unless the premium (if any) which shall have been fixed by the By-laws, and at least ten per centum on the amount of such share, be paid at the time of subscribing. 45 50 55

In case shares are paid up in full at time of subscribing.

4. If any person or party subscribing for shares of the capital Stock of the said Bank, shall also be willing to pay up at the time of subscribing the full amount of the shares subscribed for, together with such premium thereon, if any, as aforesaid, it shall and may 60

be lawful for the Directors of the Bank, and at any time within the periods hereinbefore limited for subscribing for such Stock, to admit and receive such subscriptions and full payment, or payment of any number of instalments together with such premiums; and
 5 in every case, the premium so received on any stock subscribed for, shall be carried to the account of the ordinary profits of the said Bank.

5. If any Shareholder or Shareholders shall refuse or neglect to
 10 pay any or either of the Instalments upon his, her, or their Shares of the said capital stock when the same may become due, such Shareholder or Shareholders shall incur a forfeiture to the use of
 the said Corporation of a sum of money, equal to ten per centum
 on the amount of such Shares. And moreover, it shall be lawful
 15 for the Directors of the said Corporation, (without any previous formality other than thirty days public notice of their intention,) to sell at Public Auction the said shares, or so many of the said shares as shall, after deducting the reasonable expenses of the
 sale, yield a sum of money sufficient to pay the unpaid instalments
 20 due on the remainder of the said shares, and the amount of forfeitures incurred upon the whole; and the President, or Vice-President, or Cashier of the said Corporation shall execute the transfer to the purchaser of the shares of stock so sold, and such transfers being accepted, shall be as valid and effectual in law as if the same
 25 had been executed by the original holder or holders of the shares of the stock thereby transferred; Provided always, that nothing in this section contained shall be held to debar the Directors or Shareholders, at a general meeting, from remitting, either in whole or in part and conditionally or unconditionally, any forfeiture incurred
 30 by the non-payment of the instalments as aforesaid, or to prevent the said Bank from enforcing the payment of any call or calls by suit, in lieu of forfeiting the same.

6. The chief place or seat of business of the said Corporation shall be in the City of Montreal, aforesaid; but it shall and may
 35 be lawful for the Directors of the Corporation to retain, open and establish in other cities, towns, and places in this Province, branches or offices of discount and deposit of the said Corporation, under such rules and regulations for the good and faithful management of the same, as to Directors shall from time to time seem
 40 meet, and as shall not be repugnant to any law of this Province, to this Act, or to the By-laws of the said Corporation.

7. For the management of the affairs of the said Corporation, there shall be seven Directors, who shall be annually elected by the
 45 shareholders of the capital stock of the Corporation, at a general meeting of them, to be held annually, on the first Monday in July, in each year; and the Directors elected, by a majority of votes, shall be capable of serving as Directors for the ensuing twelve months; and, at their first meeting after such election, shall choose out of their number a President and Vice-President, who shall hold their
 50 offices respectively during the same period; and in case of a vacancy occurring in the said number of seven Directors, the remaining Directors shall fill the same by election from among the shareholders, and the Director so elected shall be capable of serving as a
 55 Director until the next annual general meeting of the shareholders; and if the vacancy occurring in the said number of seven Directors shall also cause the vacancy of the office of President, or Vice-President, the Directors, at the first meeting after their number shall have been completed as aforesaid, shall fill the vacant office
 by choice, or election, from among themselves, and the Director so
 60 chosen, or elected, shall fill the office to which he shall be so chosen, or elected until the next general annual meeting of the shareholders; Provided always, that the foregoing provisions respecting
 Proviso.

Proviso. the choice and selection of Directors may be changed in the respects, hereinafter mentioned, by a by-law, to be made as herein-
after provided; And provided, also, that each of the Directors shall
be the holder and proprietor, in his own name, of not less than
forty shares of the capital stock of the said Corporation, upon which
not less than four thousand dollars shall have been paid up, and
shall be a natural born, or naturalized, subject of Her Majesty, and
shall have lived seven years in Canada. 5

Failure in election not to dissolve corporation. 8. If at any time it shall happen that an election of Directors shall not be made, or take effect, on the day fixed by this Act, the
said Corporation shall not be deemed, or taken to be, thereby dis-
solved, but it shall be lawful at any subsequent time to make such
election, at a general meeting of the Shareholders to be called for
that purpose; and the Directors in office, when such failure of
election shall take place, shall remain in office until such election
shall be made. 10 15

Books, &c., may be inspected by Directors. 9. The books, correspondence, and funds, of the said Bank, shall, at all times, be subject to the inspection of the Directors, but
no Shareholder, not being a Director, shall inspect, or be allowed
to inspect, the account, or accounts, of any person, or persons,
dealing with the said Bank. 20

Quorum. 10. At the meetings of the Directors of the said Corporation, not
less than four of them shall constitute a board or quorum for the
transaction of business, and at the said meetings the President, or
in his absence, the Vice-President, or in their absence, one of the
Directors present, to be chosen *pro tempore*, shall preside, and the
President, Vice-President, or President *pro tempore*, so presiding,
shall vote as a Director, and, if there be an equal division on any
question, shall have a casting vote. 25

By-laws. 11. It shall and may be lawful for the Directors of the said Bank,
from time to time, to make and enact By-laws, Rules and Regula-
tions (the same not being repugnant to this Act, or to the Laws of
this Province) to regulate the retirement in each year, subsequent
to the present year, of a part only of the Directors, the number of
the Directors who shall so retire, the mode in which the retiring
Directors shall be selected, and all other matters in connection with
the change to be thereby made in the mode of selecting the Direc-
tors; Provided always, that the number of Directors to be elected
at each annual meeting shall not be less than four. And also for the
proper management of the affairs of the said Corporation; and from
time to time, to alter or repeal the same, and others to make and
enact in their stead; Provided always, that no By-law, Rule or
Regulation so made by the Directors, shall have force or effect until
the same shall, after six weeks' public notice, have been confirmed
by the shareholders at an annual general meeting, or at a special
general meeting called for that purpose; And provided also, that
the By-laws of the said Merchants' Bank in force at the time when
this Act shall come into force, in so far as they are not repugnant
to this Act, or to law, shall be the By-laws of the Merchants' Bank
of Canada until others shall have been made and enacted and con-
firmed, as provided for by this section, except only in so far as they
would affect the election of Directors in the said Bank, to take place
in July next. 30 35 40 45 50

No Director to act as a private banker. 12. No Director of the Corporation hereby constituted shall,
during the period of his services, act as a private Banker, or Direc-
tor of any other Bank, but the President and Directors may be
compensated for their services, either by an annual vote of a sum
of money by the shareholders at their annual general meetings, or
if not so provided for, then in such manner and at such rates as the
55

Directors may see fit to fix and regulate by resolution; Provided always, that the sum of money to be appropriated by the Directors for that purpose shall not in any one year exceed ten thousand dollars.

5 **13.** The Directors of the said Corporation shall have power to ^{Appointment} appoint such Cashiers, Officers, Clerks and Servants under them as ^{of officers.} shall be necessary for conducting the business of the Corporation, and to allow reasonable compensation for their services, respectively; and also, shall be capable of exercising such power and
10 authority, for the well-governing and ordering of the affairs of the said Corporation, as shall be prescribed by the by-laws thereof; Provided always, that before permitting any Cashier, Officer, Clerk or Servant of the Corporation, to enter upon the duties of his Office,
20 the Directors shall require every such Cashier, Officer, Clerk or Servant, to give security to the satisfaction of the Directors, in such sum of money as the Directors consider adequate to the trust to be reposed, with conditions for good and faithful behaviour.

14. It shall be the duty of the Directors to make half-yearly ^{Dividends.} dividends of so much of the profits of the said Bank as to them
25 shall appear advisable, and such dividends shall be payable at such place, or places, as the Directors shall appoint, and of which they shall give public notice thirty days previously: Provided always, that such dividends shall not in any manner lessen or impair the capital stock of the said Bank.

30 **15.** The annual general meeting of the Shareholders of the ^{Annual gen-} Corporation, to be held in the City of Montreal, on the first ^{eral meeting.} Monday in the month of July, in each year, for the purpose of electing Directors, in the manner hereinbefore provided, shall also take into consideration all other matters generally touching the affairs and
35 and the management of the affairs of the Corporation; and, at each of the said annual general meetings of the Directors, shall submit a full and clear statement of the affairs of the Corporation, containing, on the one part, the amount of capital stock paid in, the amount of notes of the Bank in circulation, the net profits in hand,
40 the balances due to other banks and institutions, and the cash deposited in the Bank; distinguishing deposits bearing interest from those not bearing interest; and, on the other part, the amount of current coins and gold and silver bullion in the vaults of the Bank; the value of buildings and other real estate belonging to the
25 Bank, the balance due to the Bank from other banks or institutions, and the amount of debts owing to the Bank, including and particularizing the amounts so owing on bills of exchange, discounted notes, mortgages and hypothèques, and other securities; thus exhibiting, on the one hand, the liabilities of, or debts due by, the
40 Bank, and on the other hand, the assets and resources thereof; and the said statement shall also exhibit the rate and amount of the last dividend declared by the Directors, the amount of profits reserved at the time of declaring such dividend, and the amount of debts to the Bank overdue and not paid, with an estimate of
45 the loss which may probably be incurred from the non-payment of such debts.

16. At all meetings of the Corporation, the shareholders shall be ^{Votes.} entitled to give one vote for every share held by them; and it shall be lawful for absent shareholders to give their votes by proxy,
50 such proxy being also a shareholder, and being provided with a written authority from his constituent or constituents, in such form as shall be established by a by-law, and which authority shall be lodged in the Bank; Provided always, that a share or shares of the capital stock of the said Corporation that shall have been held for
55 a less period than three calendar months immediately prior to any

meeting of the shareholders, shall not entitle the holder or holders to vote at such meeting either in person or by proxy; Provided, also that where two or more persons are joint holders of shares it shall be lawful that only one of such joint holders be empowered by letter of attorney from the other joint holder or holders, or a majority of them, to represent the said shares, and vote accordingly.

Officers of bank not to vote.

17. No Cashier, Assistant Cashier, Bank Clerk or other officer of the Bank shall vote, either in person or by proxy, at any meeting for the election of Directors, or hold a proxy for that purpose.

Special general meetings.

18. Any number not less than twenty of the shareholders of the said Bank, who together shall be proprietors of at least one thousand shares of the paid up capital stock of the said Bank, by themselves or their proxies; or the Directors of the said Bank, or any four of them; shall respectively have power at any time to call a special general meeting of the shareholders of the said Bank, to be held at their usual place of meeting in the City of Montreal, upon giving six weeks' previous public notice thereof, and specifying in such notice the object or objects of such meeting; and if the object of any special general meeting be to consider of the proposed removal of the President or Vice-President, or of a Director or Directors of the Corporation, for maladministration, or other specified and apparently just cause, then and in such case the person or persons whom it shall be so proposed to remove, shall from the day on which the notice shall be first published, be suspended from the duties of his or their office or offices; and if it be the President or Vice-President whose removal shall be proposed as aforesaid, his office shall be filled up by the remaining Directors (in the manner hereinbefore provided in the case of a vacancy occurring in the office of President or Vice-President), who shall choose or elect a Director to serve as such President or Vice-President, during the time such suspension shall continue or be undecided upon.

Shares to be personal estate.

19. The shares of the capital stock of the said Corporation shall be held adjudged to be personal estate and be transmissible accordingly, and shall be assignable and transferable at the Bank according to such form as shall be prescribed by the by-laws for that purpose; but no assignment or transfer shall be valid and effectual unless it be made and registered in a book or books, to be kept in the office of the said Bank for that purpose, nor until the person or persons making the same shall previously discharged all debts actually due and exigible by him, her, or them, to the Corporation, which may exceed in amount the amount paid up on the remaining stock (if any) belonging to such person or persons; and no fractional part or parts of a share, or other than a whole share, shall be assignable or transferable; and when any share or shares of the said capital stock shall have been sold under a writ of execution, the Sheriff by whom the writ shall have been executed, shall, within thirty days after the sale, leave with the Cashier of the Corporation an attested copy of the writ, with the certificate of such Sheriff endorsed thereon, certifying to whom the sale has been made; and thereupon (but not until after all debts due by the original holder or holders of the said shares to the Corporation shall have been discharged as aforesaid) the President or Vice-President or Cashier of the Corporation shall execute the transfer of the share or shares, so sold, to the purchaser, and such transfer being duly accepted, shall be to all intents and purposes, as valid and effectual in law as if it had been executed by the original holder or holders of the said shares; any law or usage to the contrary notwithstanding. And shares in the capital stock of

the said Bank may be made transferable, and the dividends accruing thereon may be made payable in the United Kingdom, in like manner as such shares and dividends are respectively transferable and payable at the Chief Office of the said Bank in the City of Montreal; and, to that end, the Directors may, from time to time, make such rules and regulations, and prescribe such forms, and appoint such agent, or agents, as they may deem necessary. Provided always, that at no time shall more than one-half of the whole capital stock be registered in the book to be kept for that purpose in the United Kingdom.

Shares in the United Kingdom.

20. The said Bank shall have a preferential lien for any debt due to it by any Shareholder thereof, upon the shares of such Shareholder, and shall be entitled to charge any overdue note or bill held by the Bank against the deposit account of any person liable thereon; any law, statute, or usage to the contrary notwithstanding.

Bank to have preferential lien.

21. The said Corporation hereby constituted shall not, either directly or indirectly, hold any lands or tenements (save and except such as by the first section of this Act they are specially authorized to acquire and hold) or any ships or other vessels, or any share or shares of the Capital Stock of the Corporation, nor in any other Bank in this Dominion; nor shall the said Corporation, either directly or indirectly, lend money or make advances upon the security, mortgage or hypothecation (*hypothèque*) of any lands or tenements, or of any ships or other vessels, nor upon the security or pledge of any share or shares of the capital stock of the Corporation, or of any goods, wares or merchandise; nor shall the said Corporation, either directly or indirectly, raise loans of money or deal in the buying, selling or bartering of goods, wares, or merchandise, or be engaged in any trade whatever, except as dealers in gold and silver bullion, bills of exchange, discounting of promissory notes and negotiable securities, and in such trade generally as legitimately appertains to the business of banking; Provided, always, that the fifty-fourth chapter of the Consolidated Statutes of Canada, intituled: *An Act respecting Incorporated Banks*, and each and every of the provisions thereof, shall apply to the Corporation hereby created as fully and completely as if incorporated in the present Act.

Corporation not to hold lands or tenements.

22. The aggregate amount of the liabilities of all the Directors to the said Corporation shall not exceed at any one time one tenth of the total amount of the then current discounts or advances made by the Corporation.

Liabilities of Directors limited.

23. It shall and may be lawful for the said Corporation to allow and pay interest upon moneys deposited in the Bank; and also, it shall and may be lawful for the Corporation, in discounting promissory notes or other negotiable securities, to receive or retain the discount thereon, at the time of discounting or negotiating the same; any law or usage to the contrary notwithstanding.

Interest.

24. The bonds, obligations and bills obligatory or of credit of the said Bank, under its common seal and signed by the President, Vice-President, and countersigned by the Cashier or Assistant Cashier thereof, which shall be made payable to any person or persons, shall be assignable by endorsement thereon under the hand or hands of such person or persons, and of his, her or their assignee or assignees so as absolutely to transfer and vest the property thereof in the several assignees successively, and to enable such assignee or assignees to bring and maintain an action or actions thereon in his, her or their name or names; and signification of any assignment by endorsement shall not be necessary, any law or usage to the contrary notwithstanding.

Bonds, &c., to be assignable.

standing; And bills or notes of the said Bank, signed by the President, Vice-President, Cashier or other officer appointed by the Directors of the said Bank to sign the same, promising the payment of money to any person or persons, his or their order or to the bearer, though not under the corporate seal of the said Bank, shall be binding and obligatory upon it, in the like manner and with the like force and effect as they would be upon any private person if issued by him in his private or natural capacity, and shall be assignable in like manner as if they were so issued by a private person in his natural capacity; Provided always that nothing in this Act shall be held to debar the Directors of the said Bank from authorizing or deputing from time to time, any Cashier, Assistant Cashier or officer of the Bank, or any Director other than the President or Vice-President, or any Cashier, Manager or local Director of any branch or office of discount and deposit of the said Bank, to sign or countersign the bills or notes of the Corporation intended for general circulation and payable to order or bearer on demand.

25. The notes or bills of the said Bank made payable to order or to bearer, and intended for general circulation, whether the same shall issue from the chief seat or place of business of the said Bank in the city of Montreal or from any of its Branches shall bear date at that place of issue and not elsewhere; and shall be payable on demand in specie or in such other funds as shall by law be a legal tender in lieu of specie at the same place of issue; and each and every office of discount and deposit established or hereafter to be established shall be subject to the restriction as to the issuing and redemption of notes provided in this section.

26. The total amount of the notes or bills of the said Corporation, being for a less sum than five dollars, current money of Canada, each, that shall or may have been issued and put in circulation, shall not exceed at any one time one-fifth of the amount of the capital stock of the Corporation then paid in; Provided, always, that no notes, under the nominal value of one dollar, shall, at any time be issued or put in circulation by the Corporation; nor shall any further limitation by the Legislature of the total amount of notes to be issued or re-issued by the said Corporation be held to be any infringement upon the privileges hereby granted.

27. The total amount of the debt which the said Bank shall at any one time owe, whether by bond, bill, note or otherwise, shall not exceed three times the aggregate amount of its capital stock paid in and the average amount of deposits made in the Bank in specie and Government securities for money; and at no one period after the passing of this Act shall the notes or bills of the said Bank, or for which it is liable, payable on demand or to bearer, then in circulation, exceed the amount of the actually paid up stock of the Bank, and if at any time the Directors of the said Bank shall wilfully and knowingly contract such debts, or issue or cause to be issued such notes or bills to an amount exceeding that hereinbefore limited, then and in that case the said Bank shall forfeit its charter and all the privilege granted to it by this or any other Act, and those of the Directors with whose knowledge and participation such contracting of debts or excessive issue of notes or bills shall take place, shall be liable jointly and severally for such excess their private capacities, as well to the shareholders as to the holders of the bonds, bills and notes of the said Bank, and an action or actions in this behalf may be brought against them or any of them, and the heirs, executors, administrators, or curators of them or any of them, and be prosecuted to judgment and execution according to law, but such action

or actions, shall not exempt the said Bank or its lands, tenements, goods or chattels, from being also liable for such excess; Provided always, that if any Directors present at the time of contracting any such excess of debt, do forthwith, or if any Director absent at the time of contracting any such excess of debt, do within twenty-four hours after he shall have obtained a knowledge thereof, enter on the minutes or register of the Bank, his protest against the same, and do within eight days thereafter publish such protest in at least two newspapers published in the City of Montreal, such Director may thereby, and not otherwise, exonerate and discharge himself, his heirs, executors, and administrators or curators, from the liability aforesaid, anything herein contained or any law to the contrary notwithstanding; Provided always, that such publication shall not exonerate any Director from his liability as a shareholder.

28. A suspension by the said Corporation (either at the chief place or seat of business or at any of their branches or offices of discount and deposit at other places in this Province) of payment, on demand, in specie or in such other funds as shall by law be a legal tender in lieu of specie, of the notes or bills of the said Corporation, payable on demand, shall, if the time of suspension extend to sixty days, consecutively or at intervals, within any twelve consecutive months, operate as and be a forfeiture of this Act of Incorporation, and all and every the privileges hereby granted.

29. And whereas it may be deemed expedient that the name or names of the person or persons instructed and authorized by the Bank to sign bank notes and bills on behalf of the Bank, should be impressed by machinery, in such form as may from time to time be adopted by the Bank, instead of being subscribed in the hand-writing of such person or persons respectively: And whereas doubts might arise respecting the validity of such notes; Be it therefore further declared and enacted, that all bank notes and bills of the Merchants' Bank of Canada, whereon the name or names of any person or persons instructed and authorized to sign such notes or bills on behalf of the Bank shall or may become impressed by machinery provided for that purpose by or with the authority of the Bank, shall be and be taken to be good and valid, to all intents and purposes as if such notes and bills had been subscribed in the proper hand-writing of the person or persons intrusted and authorized by the Bank to sign the same respectively, and shall be deemed or taken to be bank notes or bills within the meaning of all laws and statutes, whatever; and shall and may be described as bank notes or bills, in all indictments and civil or criminal proceedings whatsoever; any law, statute or usage to the contrary notwithstanding.

30. In the event of the property and assets of the said Bank becoming insufficient to liquidate the liabilities and engagements or debts thereof, the Shareholders of its stock, in their private or natural capacities, shall be liable and responsible for the deficiency, but to no greater extent than to double the amount of their respective shares, that is to say, the liability and responsibility of each Shareholder to the creditors of the said Bank, shall be limited to a sum of money equal in amount to his stock therein, over and above any instalment or instalments which may be unpaid on such stock, for which he shall also remain liable and shall pay up; Provided, always, that nothing in this section contained shall be construed to alter or diminish the additional liabilities of the Directors of the said Bank hereinbefore mentioned and declared.

31. Besides the detailed statement of the affairs of the said Bank hereinbefore required to be laid before the Shareholders thereof at their annual general meeting, the Directors shall make up and

publish on the first day in each and every month, statement of the assets and liabilities of the said Bank, in the form of the Schedule A hereunto annexed, shewing under the heads specified in the said form the average amount of the notes of the said Bank in circulation, and other liabilities, at the termination of the month to which the statement shall refer, and the average amount of specie and other assets, that at the same time were available to meet the same; And it shall also be the duty of the Directors to submit to the Governor of this Dominion, if required, a copy of each such monthly statement; and if by him required to verify all or any part of the said statements, the said Directors shall verify the same by the monthly balance sheet, from which the said statement shall have been compiled; And furthermore, the said Directors shall from time to time, when required, furnish to the Governor, such further information respecting the state and proceedings of the Bank and of the several branches and offices of discount and deposit thereof as such Governor may reasonably see fit to call for; Provided always, that the monthly balance sheet, and the further information that shall be so produced and given, shall be held by the Governor, as being produced and given in strict confidence that he shall not divulge any part of the contents of the said monthly balance sheet or of the information that shall be so given; And provided also, that the Directors shall not make known, nor shall anything herein contained be so construed as to authorize them or any of them, to make known, the private account or accounts of any person or persons whatever, having dealings with the Bank.

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Loans to foreign States illegal.

32. It shall not be lawful for the Corporation hereby constituted, at any time whatever, directly or indirectly, to advance or lend to, or for the use of, or on account of, any foreign Prince, Power or State, any sum or sums of money, or any securities for money; and if such unlawful advance or loan be made, then, and from thenceforth, the said Corporation shall be dissolved, and all the powers, authorities, rights, privileges and advantages hereby granted shall cease and determine; anything in this Act the contrary notwithstanding.

Transmission of shares otherwise than as mentioned in this Act.

33. If the interest in any share in the said Bank become transmitted in consequence of the death, or bankruptcy or insolvency of any shareholder, or in consequence of the marriage of a female shareholder, or by any other lawful means than by a transfer according to the provisions of this Act, such transmission shall be authenticated by a declaration in writing, as hereinafter mentioned, or in such other manner as the Directors of the Bank shall require; and every such declaration shall distinctly state the manner in which, and the party to whom, such share shall have been so transmitted, and shall be by such party made and signed; and every such declaration shall be by the party making and signing the same acknowledged before a Judge or Justice of a Court of Record, or before the Mayor, Provost or Chief Magistrate of a city, town, borough or other place, or before a public notary where the same shall be made and signed; and every such declaration, so signed and acknowledged, shall be left with the Cashier, or other officer or agent of the Bank, who shall thereupon enter the name of the party entitled under such transmission, in the register of shareholders; and until such transmission shall have been so authenticated, no party or person claiming by virtue of any such transmission shall be entitled to receive any share of the profits of the Bank, nor to vote in respect of any such share as the holder thereof; Provided always, that every such declaration and instrument as by this and the following section of this Act is required to perfect the transmission of a share of the Bank, which shall be made in any other country than in this or some other of the British Colonies in North America, or in the United Kingdom of Great Britain and Ireland, shall be further authenticated by the British Consul or Vice-Consul, or other the accredited representative

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of the British Government in the country where the declaration shall be made, or shall be made directly before such British Consul or Vice-Consul, or other accredited representative; And provided also, that nothing in this Act contained shall be held to debar the Directors, 5 Cashier, or other officer or agent of the Bank, from requiring corroborative evidence of any fact or facts alleged in any such declaration.

34. If the transmission of any share of the said Bank be by virtue of the marriage of a female shareholder, the declaration shall contain a copy of the register of such marriage, or other particulars of the celebration thereof, and shall declare the identity of the wife with the holder of such share; and if the transmission have taken place by virtue of any testamentary instrument, or by intestacy, the probate of the will, or the letters of administration; or act of curatorship, or an official extract therefrom, shall, together with such declaration, be produced and left with the Cashier, or other officer or agent of the Bank, who shall thereupon enter the name of the party entitled under such transmission in the register of shareholders. When transfer is virtue of marriage of a female shareholder.

35. Whenever the interest in any share or shares of the said Bank, or in the dividend accrued thereon, or the right of property of any deposit therein, shall be transmitted by the death of any Shareholder, or otherwise, or whenever the ownership of, or legal right of possession in any such share or shares, dividend or deposit, shall change by any lawful means, other than by transfer, according to the provisions of this Act, or shall be disputed, and the Directors of the said Bank shall entertain reasonable doubts as to the legality of any claim to and upon such share or shares of stock, dividend or deposit, then and in such case, it shall be lawful for the said Bank to make and file in the Superior Court for the Province of Quebec, a declaration and petition in writing addressed to the Justices of the Court, setting forth the facts, and the number of shares previously belonging to the party in whose names such shares stand in the books of the Bank; or the amount of deposits standing in the name of the depositor thereof, and praying for an order or judgment, adjudicating and awarding the said shares, dividends, or deposits to the party or parties, legally entitled to the same; by which order or judgment the Bank shall be guided and held fully harmless, and indemnified and released from all and every other claim, for the said shares or deposits, or arising therefrom; provided always, that notice of such petition shall be given to the party claiming such shares, dividends or deposits; who shall, upon the filing of such petition, establish his right to the shares, dividends or deposits, referred to in such petition. And the delays to plead, and other proceedings in such cases shall be the same as those observed in interventions in cases pending before the said Superior Court; provided also, that the costs and expenses of procuring such order and adjudication, shall be paid by the party or parties to whom the said shares, dividends, or deposits shall be declared lawfully to belong; and such shares, dividends, or deposits shall not be transferred or paid over, as the case may be, until such costs and expenses be paid, saving the recourse of such party, against any party contesting his right. In case right of property is disputed.

36. The Bank shall not be bound to see to the execution of any trust, whether express, implied, or constructive, to which any of the shares of the Bank may be subject; and the receipt of the party in whose name any share shall stand in the books of the Bank, or if it stand in the names of more parties than one, the receipt of one of the parties shall, from time to time, be a sufficient discharge to the Bank for any dividend or other sum or money payable in respect of such share, notwithstanding any trust to which such share may then be subject, and whether or not the Bank have had Bank not bound to see to execution of trust.

notice of such trust, and the Bank shall not be bound to see to the application of the money paid upon such receipt; and the transfer of any share or the payment of any dividend or deposit shall not cause any liability on the part of the said Bank to the rightful owner or administrator of such shares, dividend or deposit, if such transfer be made by, or such payment be made to, the person in whose name such share shall stand in the books of the said Bank, or to whose credit such deposits may appear therein, whether such person be ordinarily competent to make such transfer to receive such payment or not.

Investments in government securities.

37. It shall be the duty of the Directors of the said Bank to keep invested at all times in the debentures of the late Province of Canada, or of the Consolidated Municipal Loan Fund of the said late Province, or in Dominion Stock, one-tenth part of the whole paid up capital of the said Bank, and to make a return of the 15 numbers and amount of such debentures or stock as the case may be, verified by the oaths and signatures of the President and Chief Cashier or Manager of the said Bank, to the Minister of Finance, in the month of January in each year, under the penalty of the forfeiture of the Charter of the said Bank, in default of such investment and return.

Notices.

38. The several public notices, by this Act required, to be given shall be so given by advertisement in one or more of the newspapers published in the City of Montreal, and in the *Canada Gazette*, or such other Gazette as shall be generally known and accredited as the Official Gazette, for the publication of official documents and notices emanating from the Civil Government of this Province.

Continuance of Act.

39. This Act shall be and remain in force until the first day of January, which will be in the year of our Lord one thousand eight hundred and seventy, and from that time until the end of the then next Session of the Parliament of this Dominion, and no longer.

Repeal.

40. So much of "The Commercial Bank Act, 1867," as provides for the winding up of the Commercial Bank of Canada, and as conflicts with the provisions of this Act, is hereby repealed.

Short title.

41. This Act may be cited, and known, as the "Merchants' Bank Act, 1868."

Public Act.

42. This Act shall be a Public Act.

SCHEDULE A.

(Referred to in the foregoing Act.)

Return of the average amount of liabilities and assets of the Merchants' Bank of Canada, during the period from the first to one thousand eight hundred and

LIABILITIES.

Promissory Notes in circulation, not bearing interest.....	\$
Bills of Exchange in circulation, not bearing interest.....	\$
Bills and Notes in circulation, bearing interest.....	\$
Balances due to other Banks.....	\$
Cash deposits, not bearing interest.....	\$
Cash deposits, bearing interest.....	\$
<hr/>	
Total average Liabilities.....	\$

ASSETS.

Coin and Bullion.....	\$
Landed or other property of the Bank.....	\$
Government Securities	\$
Promissory Notes or bills of other banks	\$
Balances due from other banks.....	\$
Notes and bills discounted or other debts due to the Bank, not included under the foregoing heads.....	\$
<hr/>	
Total average Assets.....	\$