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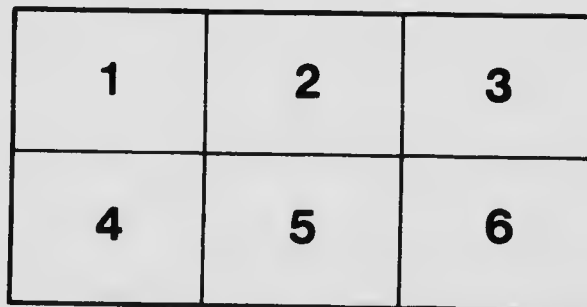
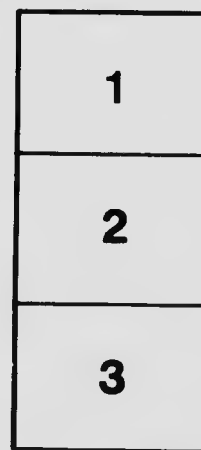
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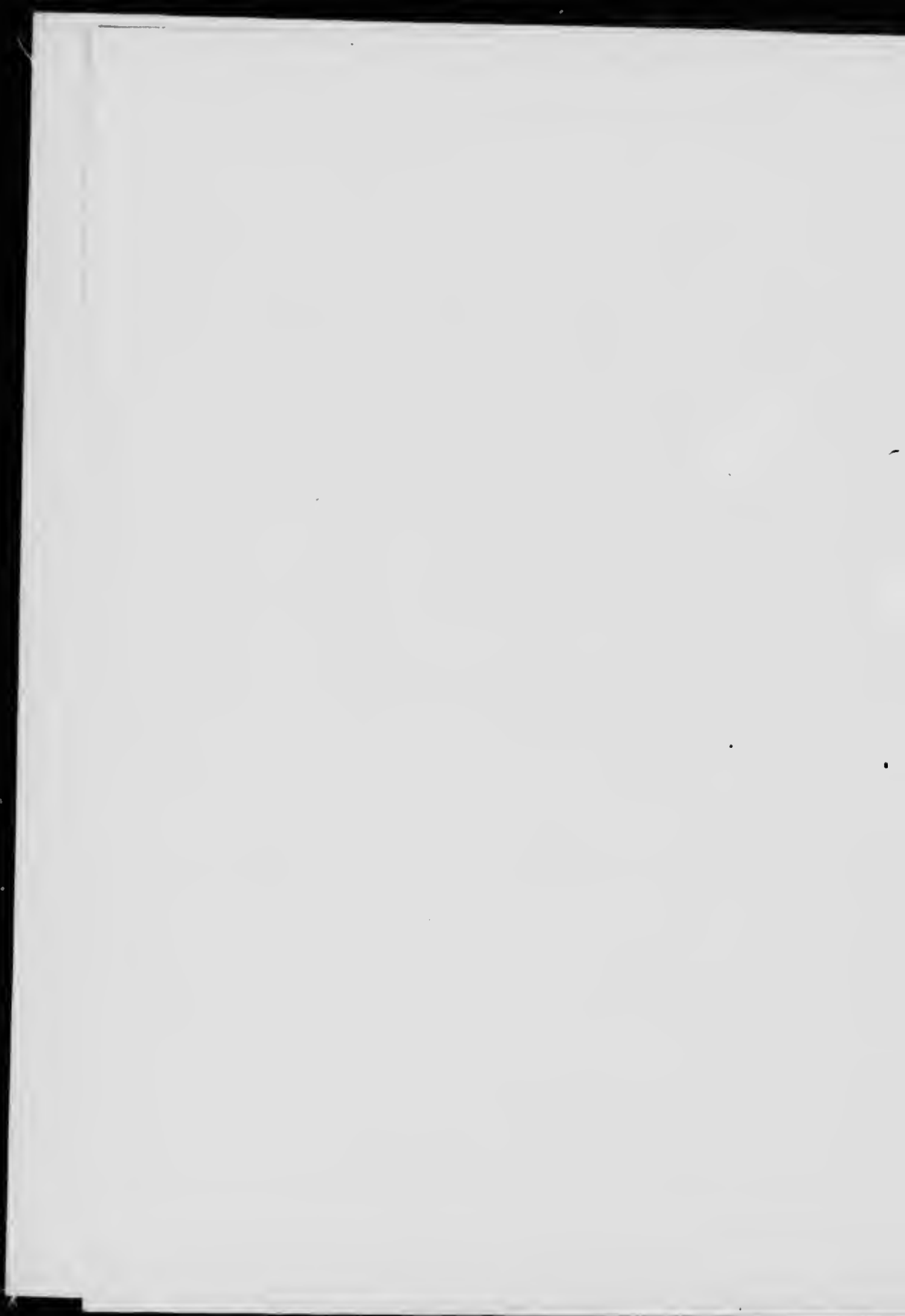
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THE
CANADIAN BANKERS' MANUAL

AND
BANK ACT

1913

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The
Canadian
BANKERS' MANUAL

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3-4 GEORGE V.

CHAP. 9.

An Act respecting Banks and Banking.

[Assented to 6th June, 1913.]

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

SHORT TITLE.

1. This Act may be cited as *The Bank Act*. 53 V., c. 31, Short title. s. 1.

INTERPRETATION.

2. In this Act, unless the context otherwise requires,—
- (a) "Association" means the Canadian Bankers' Association, incorporated by chapter 93 of the statutes of 1900, intituled *An Act to incorporate the Canadian Bankers' Association*; Definitions.
"Association."
- (b) "bank" means any bank to which this Act applies; "Bank."
- (c) "bill of lading" includes all receipts for goods, wares or merchandise, accompanied by an undertaking to transport the same from the place where they were received to some other place, by any mode of carriage, whatever, whether by land or water, or partly by land and partly by water; "Bill of lading."
- (d) "Circulation Fund" means the fund heretofore established and continued by the authority of this Act under the name of the Bank Circulation Redemption Fund; "Circulation Fund."
- (e) "curator" means any person appointed under the authority of this Act by the Canadian Bankers' Association; "Curator."

- ciation to supervise the affairs of any bank which has suspended payment in specie or Dominion notes of any of its liabilities as they accrue;
- "Farmer." (f) "farmer" includes the owner, occupier, landlord and tenant of a farm;
- "Goods, wares and merchandise." (g) "goods, wares and merchandise" includes, in addition to the things usually understood thereby, products of agriculture, products of the forest, products of the quarry and mine, products of the sea, lakes and rivers, petroleum and crude oil, and other articles of commerce;
- "Manufacturer." (h) "grain" means wheat, oats, barley, rye and flax;
- (i) "manufacturer" includes manufacturers of logs, timber or lumber, maltsters, distillers, brewers, refiners and producers of petroleum, tanners, curers, packers, canners of meat, pork, fish, fruit or vegetables, and any person who produces by hand, art, process or mechanical means any goods, wares or merchandise;
- "Minister." (j) "Minister" means the Minister of Finance and Receiver General;
- "President." (k) "president" does not include an honorary president;
- "Products of agriculture." (l) "products of agriculture," in addition to the direct products of the soil such as hay, grain, roots, vegetables, fruits and other crops, includes milk, cream, butter, cheese, honey, poultry (dead), and eggs, hides, skins and wool, and dried, canned and preserved vegetables and fruits;
- "Products of the forest." (m) "products of * * * * the forest" includes bark, logs, spars, railway ties, poles and other timber, shingles, laths, deals, boards, staves and other lumber, and the skins and furs of wild animals;
- "Products of the sea, lakes and rivers." (n) "products of * * * * the sea, lakes and rivers" includes, in addition to fish of all kinds, whether fresh, frozen, salted, dried, canned, preserved in oil or otherwise preserved, whales and seals, their oil, skins and bone, oysters, lobsters and other crustaceans, fresh and canned or otherwise preserved;
- "Trustees." (o) "trustees" means the persons appointed by the Association and by the Minister to receive and hold the central gold reserves, and "trustee" means any one of the trustees, and if one or more of the trustees is a corporation then "trustee" includes each of the officers of such corporation who is responsible for any action taken by the corporation for the purposes of this Act;
- "Warehouse receipt." (p) "warehouse receipt—"
(i) means any receipt given by any person for any goods, wares or merchandise in his actual, visible and continued possession as bailee thereof in good faith and not as of his own property, and

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

(iii) includes also 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.

2. Where by this Act any public notice is required to be given the notice shall, unless otherwise specified, be given by advertisement—

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

(b) in *The Canada Gazette*.

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

4. When by this Act notice of any call is required to be given to the shareholders the notice shall, unless otherwise specified, be sufficiently given by mailing the notice in the post office, registered and post paid, to the last known post office address of the respective shareholders as shown by the records of the bank, at least thirty days prior to the day on which the call is payable. 53 V., e. 31, ss. 2, 54 and 102; 63-64 V., c. 26, ss. 3 and 24; 4-5 E. VII., e. 4, s. 4. Am.

APPLICATION.

General.

3. The provisions of this Act apply to the several banks enumerated in Schedule A to this Act, and to every bank incorporated after the first day of January, one thousand nine hundred and twelve, whether this Act is specially mentioned in its Act of incorporation or not, but not to any other bank, except as hereinafter specially provided. 53 V., c. 31, s. 3. Am.

4. The charters or Acts of incorporation, and any Acts in amendment thereof, of the several banks enumerated in Schedule A to this Act are continued in force until the first day of July, one thousand nine hundred and twenty-three, so far as regards, as to each of such banks.—

- (a) the incorporation and corporate name;
- (b) the amount of the authorized capital stock, if the same has not been increased or decreased, but if increased or decreased then as increased or decreased before the passing of this Act;
- (c) the amount of each share of such stock; and,
- (d) the chief office;

subject to the right of each of such banks to increase or to reduce its authorized capital stock in the manner herein-after provided.

As to other particulars.

2. As to all other particulars this Act shall form and be the charter of each of the said banks until the first day of July, one thousand nine hundred and twenty-three.

Forfeited or void charters not continued.

3. Nothing in this section shall be deemed to continue in force any charter or Act of incorporation, if, or in so far as it is, under the terms thereof, or under the terms of this Act or of any other Act passed or to be passed, forfeited or rendered void by reason of the non-performance of the conditions of such charter or Act of incorporation, or by reason of insolvency, or for any other reason. 63-64 V., c. 26, s. 6. Am.

Banks in course of winding-up.

Act continues to apply for purposes of winding-up.

5. The provisions of this Act shall continue to apply to the banks named in the Schedule to chapter 5 of the statutes of 1912, intituled *The Bank Charters Continuation Act, 1912*, and not named in Schedule A to this Act, but only in so far as may be necessary to wind up the business of the said banks respectively; and the charters or Acts of incorporation of the said banks, and any Acts in amendment thereof, or any Acts in relation to the said banks now in force, shall respectively continue in force for the purposes of winding up, and for such purposes only. 63-64 V., c. 26, s. 5. Am.

The Bank of British North America.

Sections applicable to Bank of British North America. Sections not applicable.

6. The sections of this Act which apply to the Bank of British North America are sections—

1; 2; 6; 7; 39; 45; 54 to 61, both inclusive; 63 to 124, both inclusive; 130 to 160, both inclusive.

2. The other sections of this Act do not apply to the Bank of British North America. 53 V., c. 31, s. 6; 63-64 V., c. 26, s. 7. Am.

Chief office at Montreal.

7. For the purposes of the several sections of this Act made applicable to the Bank of British North America, the chief office of the Bank of British North America shall be the office of the bank at Montreal in the province of Quebec. 53 V., c. 31, s. 7.

INCORPORATION AND ORGANIZATION OF BANKS.

8. The capital stock of every bank hereafter incorporated, the name of the bank, the place where its chief office is to be situated, and the names of the provisional directors, shall be declared in the Act of incorporation of every such bank respectively. 53 V., c. 31, s. 9.

Particulars
of Act of
incorpora-
tion.

9. An Act of incorporation of a bank in the form set forth in Schedule B to this Act shall be construed to confer upon the bank thereby incorporated all the powers, privileges and immunities, and to subject it to all the liabilities and provisions set forth in this Act. 53 V., c. 31, s. 9.

Form
thereof.

10. The capital stock of any bank hereafter incorporated shall be not less than five hundred thousand dollars, and shall be divided into shares of one hundred dollars each. 53 V., c. 31, s. 10.

Capital
stock and
shares.

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

Provisional
directors.

2. The provisional directors shall hold office until directors are elected by the subscribers to the stock, as hereinafter provided. 53 V., c. 31, s. 11; 4-5 E. VII., c. 4, s. 1.

Tenure of
office.

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

Opening of
stock books.

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

Where.

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.

Particulars
entered.

4. There shall be printed in small pica type, or type of larger size, on each page in the stock books upon which subscriptions are recorded, and on every document constituting or authorizing a subscription, on a part of the page and document, respectively, which may be readily seen by the person recording the subscription, or by the person signing the document, a copy of section 125 of this Act.

Notice of
double
liability.

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

Time stock
books open

6. In case of the non-payment of any instalment or other sum payable by a subscriber on account of his subscription,

Recovery of
unpaid
subscriptions

the provisional directors may, in the corporate name of the bank, sue for, recover, collect and get in any such instalment or sum. 53 V., c. 31, s. 12. Am.

- 13.** Whenever a sum not less than five hundred thousand dollars of the capital stock of the bank has been *bona fide* subscribed, and payments in money on account thereof have been made by the subscribers, the total of such payments making a sum not less than two hundred and fifty thousand dollars, and as soon thereafter as the provisional directors have paid thereout to the Minister the sum of two hundred and fifty thousand dollars, the provisional directors may, by public notice published for at least four weeks, call a meeting of the subscribers to the said stock, to be held in the place named in the Act of incorporation as the chief office of the bank, at such time and at such place as is set forth in the said notice.
- 2.** For the purposes of the foregoing subsection no subscription shall be deemed to have been made *bona fide* or be complete unless and until payment in money equal to at least ten per 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.
- 3.** The subscribers shall, at such meeting,—
- (a) determine the day upon which the annual general meeting of the bank is to be held;
 - (b) elect such number of directors, duly qualified under this Act, not less than five, as they think necessary; and,
 - (c) provide for the method of filling vacancies in the board of directors until the annual general meeting.
- 4.** Such directors shall hold office until the annual general meeting next succeeding their election.
- 5.** Upon the election of directors as aforesaid the functions of the provisional directors shall cease. 53 V., c. 31, s. 13; 4-5 E. VII., c. 4, s. 2. Am.
- 14.** The bank shall not issue notes or commence the business of banking until it has obtained from the Treasury Board a certificate permitting it to do so.
- 2.** No application for such certificate shall be made until directors have been elected by the subscribers to the stock in the manner hereinbefore required. 53 V., c. 31, s. 14.
- 15.** At the time of the application for the certificate, there shall be submitted to the Treasury Board a sworn statement setting forth the several sums of money paid in connection with the incorporation and organization of the bank, and such statement shall, in addition, include a list

First meeting
of sub-
scribers.

What is a
bona fide
subscription.

Business
at meeting.

Tenure of
directors.

Provisional
directors
cease.

Permission to
commence
business.

No certifi-
cate until
directors
elected.

Statement
of payments
by pro-
visional
directors.

of all the unpaid liabilities, if any, in connection with or arising out of such incorporation and organization.

2. Prior to the time at which the certificate is given no payments on account of incorporation and organization expenses shall be made out of moneys paid in by subscribers except reasonable sums for the payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any. To what limited.

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

4. No such certificate shall be given except within one year from the passing of the Act of incorporation of the bank applying for the said certificate. 53 V., c. 31, s. 15. Am. Within one year.

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

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

3. If the amount allowed by such resolution for commissions, salaries or charges for services be deemed insufficient by the provisional directors, or directors elected under Application to court to settle amount of disbursements. section 9

section 13 of this Act, as the case may be, or if no resolution for such purpose be passed after a meeting has been duly called, then the provisional directors, or directors elected as aforesaid, may apply to a judge of any superior or county court having jurisdiction where the chief office of the bank is fixed by its Act of incorporation, to settle and determine all charges and the reasonableness of the amount of the disbursements already made to which such money and interest, if any, shall be subject, before distribution of the balance to the subscribers.

Notice of meeting and application to court, with statement.

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

Voting.

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

Ratio payable by subscribers.

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

Payment of excess.

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

Deductions.

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

9. The provisional directors or directors, after payment by them of the sums payable under this section, shall return to the subscribers, with any interim interest accretions, the respective balances of the moneys paid in by the subscribers. 53 V., c. 31. s. 16. Am.

Returns of
excess to
subscribers.

17. Upon the issue of the certificate in manner hereinbefore provided, the Minister shall forthwith pay to the bank the amount of money so deposited with him as aforesaid, without interest, after deducting therefrom the sum of five thousand dollars required to be deposited under the provisions of this Act for the securing of the notes issued by the bank.

Deposit, how
disposed of if
certificate
granted.

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

If certificate
not granted.

3. In no case shall the Minister be under any obligation to see to the proper application in any way of the amount so returned. 53 Vic., c. 31, s. 17 Am.

Minister not
bound.

INTERNAL REGULATIONS.

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

Regulation
by by-law.

- (a) The day upon which the annual general meeting of the shareholders for the election of directors shall be held;
- (b) The record to be kept of proxies, and the time, not exceeding twenty days, within which proxies must be produced and recorded prior to a meeting in order to entitle the holder to vote thereon;
- (c) The number of the directors, which shall be not less than five, and the quorum thereof, which shall be not less than three;
- (d) Subject to the provisions hereinafter contained, the qualifications of directors;
- (e) The method of filling vacancies in the board of directors, whenever the same occur during each year;
- (f) The time and proceedings for the election of directors in case of a failure of any election on the day appointed for it;
- (g) The remuneration of the president, vice-president and other directors; and,
- (h) The amount of discounts or advances which may be made to directors, either jointly or severally, or to any one

firm or person, or to any shareholder, or to corporations.

Copy of
by-laws to be
sent to
shareholders.

2. A copy of the by-laws in force on the first day of July, one thousand nine hundred and thirteen, in respect of the several matters hereinbefore in this section set out, together with a copy of this section of the Act, shall, before the thirty-first day of December, one thousand nine hundred and thirteen, be sent to each shareholder at his last known post office address, as shown by the books of the bank; and after the first day of July, one thousand nine hundred and thirteen, 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 sent as aforesaid.

Guarantee
and pension
funds

3. The shareholders may authorize the directors to establish guarantee and pension funds for the officers and employees of the bank and their families, and to contribute thereto out of the funds of the bank.

Existing
by-laws
continued.

4. Until it is otherwise prescribed by by-law under this section, the by-laws of the bank on any matter which may be regulated by by-law under this section shall remain in force, except as to any provision fixing the qualification of directors at an amount less than that prescribed by this Act. 53 V., c. 31, s. 18; 4-5 E. VII., c. 4, s. 3.

Exception.

Board of
directors.

19. The stock, property, affairs and concerns of the bank shall be managed by a board of directors, who shall be elected annually in the manner hereinafter provided, and shall be eligible for re-election. 53 V., c. 31, s. 19.

Qualifica-
tions.

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

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

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

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

Required
stock
holdings.

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

3. A majority of the directors shall be natural born or naturalized subjects of His Majesty and domiciled in Canada. 53 V., c. 31, ss. 18 and 19. Am. Majority to be British subjects.

21. The directors shall be elected by the shareholders at the annual general meeting. Election of directors.

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

3. Public notice of the annual general meeting shall be given by the directors by publishing such notice, for at least four weeks previously to the time of holding the said meeting, in a newspaper published at the place where the chief office of the bank is situate, and by mailing a copy of such notice to each shareholder at his last known post office address, as shown by the books of the bank, at least twenty days prior to the time aforesaid. 53 V., c. 31, s. 19. Am. Notice.

22. The persons, to the number authorized to be elected, who have the greatest number of votes at any election, shall be directors. 53 V., c. 31, s. 19. Who shall be directors.

23. If it happens at any election that two or more persons have an equal number of votes, and the election or non-election of one or more of such persons as a director or directors depends on such equality, then the directors who have a greater number of votes, or the majority of them, shall, in order to complete the full number of directors, determine which of the said persons so having an equal number of votes shall be a director or directors. 53 V., c. 31, s. 19. Provision in case of equality of votes.

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

2. The directors may also elect by ballot one of their number to be honorary president. 53 V., c. 31, s. 19; 4-5 E. VII., c. 4, s. 4. Am. Honorary president.

25. If a vacancy occurs in the board of directors the vacancy shall be filled in the manner provided by the by-laws: Provided that, if the vacancy is not filled, the acts of a quorum of the remaining directors shall not be thereby invalidated. 53 V., c. 31, s. 19. Vacancies, how filled. Proviso.

26. If a vacancy occurs in the office of the president or vice-president, the directors shall, from among themselves, elect a president or a vice-president, who shall continue in office for the remainder of the year. 53 V., c. 31, s. 19. Am. Vacancy in presidency or vice-presidency.

Postponed
election of
directors.

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

Continuance
in office.

2. The directors in office on the day appointed for the election of directors shall remain in office until a new election is made. 53 V., c. 31, s. 20.

Meetings of
directors.

28. The president, or in his absence a vice-president, shall preside at all meetings of the directors.

Temporary
chairman.

2. If at any meeting of the directors both president and vice-presidents are absent, one of the directors present, chosen to act *pro tempore*, shall preside.

Voting.

3. The president, a vice-president or president *pro tempore*, so presiding, shall vote as a director, and shall, if there is an equal division on any question, also have a casting vote. 53 V., c. 31, s. 21.

General
powers of
directors.

29. The directors may make by-laws and regulations, not repugnant to the provisions of this Act, or to any by-law duly passed by the shareholders or to the laws of Canada, with respect to—

- (a) the management and disposition of the stock, property, affairs and concerns of the bank;
- (b) the duties and conduct of the officers, clerks and servants employed therein; and,
- (c) all such other matters as appertain to the business of a bank.

Existing
by-laws
continued.

2. All by-laws of the bank heretofore lawfully made and now in force with regard to any matter respecting which the directors may make by-laws under this section, including any by-laws for the establishing of guarantee and pension funds for the employees of the bank, shall remain in force until they are repealed or altered by other by-laws made under this Act. 53 V., c. 31, s. 22.

Appointment
of officers.

30. The directors may appoint as many officers, clerks and servants as they consider necessary for the carrying on of the business of the bank.

Salaries.

2. Such officers, clerks and servants may be paid such salaries and allowances as the directors consider necessary.

Security.

3. The directors shall, before permitting any general manager, manager, or other officer, clerk or servant of the bank to enter upon the duties of his office, require him to give a bond, guarantee or other security to the satisfaction of the directors, for the due and faithful performance of his duties. 53 V., c. 31, s. 23. Am.

Special
general
meeting.

31. 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 proprietors of at least one-tenth of the paid-up capital stock of the bank.

2. Such directors or shareholders shall give six weeks' Notice. previous public notice, specifying therein the object of such meeting.

3. Such meeting shall be held at the usual place of meeting Place. of the shareholders.

4. If the object of the special general meeting is to Removal of president, vice-president or director. consider the proposed removal, for maladministration or other specified and apparently just cause, of the president or a vice-president, or of a director of the bank, and if a majority of the votes of the shareholders at the meeting is given for such removal, a director to replace him shall be elected or appointed in the manner provided by the by-laws of the bank, or, if there are no by-laws providing Another to replace. therefor, by the shareholders at the meeting.

5. If it is the president or a vice-president who is removed, Choosing another president or vice-president. his office shall be filled by the directors in the manner provided in case of a vacancy occurring in the office of president or vice-president. 53 V., c. 31, s. 24.

32. Every shareholder shall, on all occasions on which One vote for each share. the votes of the shareholders are taken, have one vote for each share held by him for at least thirty days before the time of meeting.

2. In all cases when the votes of the shareholders are Ballot. taken, the voting shall be by ballot.

3. All questions proposed for the consideration of the Majority to determine. shareholders shall be determined by a majority of the votes of the shareholders present or represented by proxy.

4. The chairman elected to preside at any meeting of the Casting vote shareholders shall vote as a shareholder only, unless there is a tie, in which case he shall, except as to the election of a director, have a casting vote.

5. If two or more persons are joint holders of shares, any As to joint holders of shares. one of the joint holders may be empowered, by letter of attorney from the other joint holder or holders, or a majority of them, to represent the said shares, and to vote accordingly.

6. Shareholders may vote by proxy, but no person other Proxies. than a shareholder eligible to vote shall be permitted to vote or act as proxy.

7. No general manager, manager, clerk or other subor-Officers not to vote. dinate officer of the bank shall vote either in person or by proxy, or hold a proxy for the purpose of voting.

Renewal of
proxies.

8. No appointment of a proxy to vote at any meeting of the shareholders of the bank shall be valid for that purpose unless it has been made or renewed in writing within one year last preceding the time of such meeting.

Calls must
be paid
before
voting.

9. No shareholder shall vote, either in person or by proxy, on any question proposed for the consideration of the shareholders of the bank at any meeting of the shareholders, or in any case in which the votes of the shareholders of the bank are taken, unless he has paid all calls made by the directors which are then due and payable. 53 V., c. 31, s. 25. Am.

CAPITAL STOCK.

Increase of
capital.

33. The capital stock of the bank may be increased, from time to time, by such percentage, or by such amount, as is determined upon by by-law passed by the shareholders at the annual general meeting, or at any special general meeting called for the purpose.

Approval of
Treasury
Board.

2. No such by-law shall come into operation, or be of any force or effect, unless and until a certificate approving thereof has been issued by the Treasury Board.

Conditions
for approval.

3. No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of the by-law, nor unless it appears to the satisfaction of the Treasury Board that a copy of the by-law, together with notice of intention to apply for the certificate, has been published for at least four weeks in *The Canada Gazette*, and in one or more newspapers published in the place where the chief office of the bank is situate.

Treasury
Board may
refuse.

4. Nothing herein contained shall be construed to prevent the Treasury Board from refusing to issue such certificate if it thinks best so to do. 53 V., c. 31, s. 26.

Allotment.

34. Any of the original unsubscribed capital stock, or of the increased stock of the bank, shall, at such time as the directors determine, be allotted to the then shareholders of the bank *pro rata*, at such rate and on such terms as are fixed by the directors: Provided that—

To present
shareholders.

- (a) no fraction of a share shall be so allotted;
- (b) in no case shall a rate be fixed by the directors, which will make the premium, if any, paid or payable on the stock so allotted, exceed the percentage which the rest or reserve fund of the bank then bears to the paid-up capital stock thereof; and,
- (c) payment shall not be required in greater amounts or at shorter intervals than ten per cent of the price every thirty days.

2. Notice of allotment shall be mailed to the shareholders at their last known post office address as shown by the record of the bank, and the directors shall in such notice fix a date not less than ninety days from the day on which the notice is mailed within which the allotment is to be accepted.

Notice of allotment.

3. Any of such allotted stock which is not accepted by a shareholder to whom the allotment has been made, within the time so fixed, or which he declines to accept, together with such shares as remain unallotted because of the provisions of this section that no fraction of a share can be allotted, may be offered for subscription to the public in such manner and on such terms as the directors prescribe.

Allotment to the public.

4. Any sums received in excess of the rate per share fixed by the directors under this section in respect of fractions of shares offered for subscription to the public shall be rateably distributed to the respective shareholders from whose shares the fractions arose. 53 V., c. 31, s. 27. Am.

Distribution of fractions.

35. The capital stock of the bank may be reduced by by-law passed by the shareholders at the annual general meeting, or at a special general meeting called for the purpose.

Reduction of capital.

2. No such by-law shall come into operation or be of force or effect until a certificate approving thereof has been issued by the Treasury Board.

Approval Treasury Board.

3. No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of the by-law, nor unless it appears to the satisfaction of the Board that—

Conditions for approval.

(a) the shareholders voting for the by-law represent a majority in value of all the shares then issued by the bank; and,

(b) a copy of the by-law, together with notice of intention to apply to the Treasury Board for the issue of a certificate approving thereof, has been published for at least four weeks in *The Canada Gazette*, and in one or more newspapers published in the place where the chief office of the bank is situate.

4. Nothing herein contained shall be construed to prevent the Treasury Board from refusing to issue the certificate if it thinks best so to do.

Treasury Board may refuse.

5. In addition to evidence of the passing of the by-law, and of the publication thereof in the manner in this section provided, statements showing—

Statements to be submitted to Treasury Board.

(a) the amount of stock issued;

(b) the number of shareholders represented at the meeting at which the by-law passed;

- (c) the amount of stock held by each such shareholder;
 - (d) the number of shareholders who voted for the by-law;
 - (e) the amount of stock held by each of such last mentioned shareholders;
 - (f) the assets and liabilities of the bank in full; and,
 - (g) the reasons and causes why the reduction is sought;
- shall be laid before the Treasury Board at the time of the application for the issue of a certificate approving the by-law.

Not to affect liability of shareholders

6. The passing of the by-law, and any reduction of the capital stock of the bank thereunder, shall not in any way diminish or interfere with the liability of the shareholders of the bank to the creditors thereof at the time of the issue of the certificate approving the by-law.

If legislation is asked to sanction reduction.

7. If in any case legislation is sought to sanction any reduction of the capital stock of any bank, a copy of the by-law or resolution passed by the shareholders in regard thereto, together with statements similar to those by this section required to be laid before the Treasury Board, shall, at least one month prior to the introduction into Parliament of the bill relating to such reduction, be filed with the Minister.

Limit of reduction.

8. The capital shall not be reduced below the amount of two hundred and fifty thousand dollars of paid-up stock. 53 V., c. 31, s. 28.

Re-division of shares into higher values.

35A. The capital stock of any bank heretofore incorporated which is at the date of the passing of this Act divided into shares of fifty dollars each may be re-divided into shares of one hundred dollars each, by by-law passed by the shareholders at any annual general meeting or at any special general meeting called for the purpose.

Allotment of shares, and new certificates.

2. Each shareholder, shall be entitled, on any re-division made in pursuance of the next preceding subsection, to an allotment of one share of one hundred dollars for each two shares of fifty dollars each then held by him, and the bank may call in the existing certificates of stock, and issue new certificates in lieu thereof.

Sale of shares of holders of one fifty dollar share on tender and public notice.

3. As soon as may be after such re-division the bank shall call for tenders for the purchase of the share of persons who continue to hold respectively only one fifty dollar share by giving public notice for four weeks, and the advertisement shall state the total number of shares so offered; and a copy of such advertisement shall be mailed in the post office, registered and post paid, to the last known address of each of such shareholders at least twenty-one days before the last day fixed thereby, for receipt of tenders, and the tenders shall be for two such fifty dollar shares or multiples thereof, and the highest tenders shall be entitled, on payment of the amount tendered, to one one hundred dollar share for each

two fifty dollar shares in respect of which they were the highest bidders.

4. The proceeds derived from the sale of the shares referred to in the next preceding subsection shall, without deduction for cost or charges, be distributed ratably among the former shareholders entitled thereto, and the payment of the amounts shall relieve the bank from all liability to such shareholders in respect of the share so sold. Distribution of proceeds.

5. Any of the original unsubscribed capital stock, or of the increased capital stock of a bank whose shareholders have passed a by-law under subsection 1 of this section, shall when issued be allotted in shares of one hundred dollars each. Allotment of unsubscribed and increased capital.

6. If, before the first day of July, nineteen hundred and thirteen, the shareholders of any such bank at an annual general meeting or at a special general meeting called for the purpose have approved of the division of the capital stock into shares of one hundred dollars each, the by-law referred to in subsection 1 of this section may be passed by the directors. When division approved by shareholders before 1st July, 1913.

SHARES AND CALLS.

36. The shares of the capital stock of the bank shall be personal property. Shares personality.

2. For the purpose of disposing of stock which may be offered for subscription to the public under section 34 of this Act, stock books may be opened at the chief office of the bank, or at such of its branches, or elsewhere, as the directors prescribe. Books of subscription.

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. Particulars entered.

37. There shall be printed in small pica type, or type of larger size, on each page in the stock books upon which subscriptions are recorded and on every document constituting or authorizing a subscription, on a part of the page and document, respectively, which may be readily seen by the person recording the subscription, or by the person signing the document, a copy of section 125 of this Act. Notice of double liability.

38. The directors may make such calls of money from the several shareholders for the time being, upon the shares subscribed for by them respectively, as they find necessary. Calls on shares.

2. Any number of calls may be made by one resolution. Number of intervals for calls.

3. Such calls shall be payable at intervals of not less than thirty days.

Notice.
Limitation.

4. Notice of such calls shall be given to the shareholders.
5. No such call shall exceed ten per cent of each share subscribed. 53 V., c. 31, s. 31. Am.

Capital lost
to be called
for.

39. If any part of the paid-up capital is lost the directors shall, if all the subscribed stock is not paid up, forthwith make calls upon the shareholders to an amount equivalent to the loss: Provided that all net profits shall be applied to make good such loss.

Returns to
Minister.

2. Any such loss of capital and the calls, if any, made in respect thereof, shall be mentioned in the next return made by the bank to the Minister. 53 V., c. 31, s. 48.

Recovery of
calls and
instalments.

40. In case of the non-payment of any call, or instalment under an accepted allotment, the directors may, in the corporate name of the bank, sue for, recover, collect and get in any such call or instalment, or may cause and declare the shares in respect of which any such default is made to be forfeited to the bank. 53 V., c. 31, s. 32. Am.

Forfeiture.

Fine for
failure to
pay call.

41. If any shareholder refuses or neglects to pay any instalment or call upon his shares of the capital stock at the time appointed therefor, such shareholder shall incur a penalty, to the use of the bank, of a sum of money equal to ten per cent of the amount of such shares.

Sale of
forfeited
shares at
public
auction.

2. If the directors declare any shares to be forfeited to the bank they shall, within six months thereafter, without any previous formality, other than public notice published for at least four weeks, of their intention so to do, sell at public auction the said shares, or so many of the said shares as shall, after deducting the reasonable expenses of the sale, yield a sum of money sufficient to pay the unpaid instalments or calls due on the remainder of the said shares, and the amount of penalties incurred upon the whole.

Transfer,
how
executed.

3. The president, a vice president, or the general manager of the bank shall execute the transfer to the purchaser of the shares so sold; and such transfer shall be as valid and effectual in law as if it had been executed by the original holder of the shares thereby transferred.

Remission
of forfeiture
or penalty.

4. The directors, or the shareholders at a general meeting may, notwithstanding anything in this section contained, remit, either in whole or in part, and conditionally or unconditionally, any forfeiture or penalty incurred by the non-payment of instalments or calls as aforesaid. 53 V., c. 31, s. 33. Am.

Recovery
by action.

42. In any action brought to recover any money due on any instalment or call, it shall not be necessary to set forth

forth the special matter in the declaration or statement of claim, but it shall be sufficient to allege that the defendant is the holder of one share or more, as the case may be, in the capital stock of the bank, and that he is indebted to the bank for instalments or calls upon such share or shares, in the sum to which the instalments or calls amount, as the case may be, stating the amount and number of the instalments or calls.

2. It shall not be necessary, in any such action, to prove the appointment of the directors. 53 V., c. 31, s. 34.

TRANSFER AND TRANSMISSION OF SHARES.

43. No transfer of the shares of the capital stock of the bank shall be valid unless—

- (a) made, registered and accepted by the person to whom the transfer is made, or by his attorney appointed in writing, in a book or books kept for that purpose; and,
 (b) the person making the transfer has, if required by the bank, previously discharged all his debts or liabilities to the bank which exceed in amount the remaining stock, if any, belonging to such person, valued at the then current rate.

2. The post office address and description of the transferee shall be entered in such book.

3. No fractional part of a share, or less than a whole share shall be transferable.

4. The bank may open and maintain in any province in Canada in which it has resident shareholders and in which it has one or more branches or agencies, a share-registry office, to be designated by the directors, at which the shares of the shareholders, resident within the province, shall be registered and at which, and not elsewhere, except as hereinafter provided, such shares may be validly transferred.

5. Shares of persons who are not resident in Canada or in any province in which there is a branch or agency of the bank may be registered and shall be transferable at the chief office of the bank or elsewhere, as the directors may designate.

6. Whenever there is a change in the ownership of shares, and the new shareholder resides in a province other than that in which the former shareholder resided, and whenever there is a change in the residence of a shareholder from one province to another, or whenever a shareholder residing outside of Canada becomes a resident of a province in Canada, the registration of the shares shall be changed to the registry of the province in which the shareholder has his residence,

Allegations.

Proof.

Conditions for transfer of shares.

Entries in books.

Fraction of share not transferable.

Share register office to be opened in each province.

Register and transfer of shares.

When change of residence.

if there is a branch or agency of the bank in that province, and if a share-registry has been opened in that province, and the shares of such shareholder shall thereafter be transferable at such registry and not elsewhere, except as herein provided.

Residence defined.

7. For the purposes of this section, a shareholder shall be deemed to be resident in the province in which he has, according to the books of the bank, his post office address.

Agents.

8. The directors shall appoint such agents for the purposes of this section as they deem necessary. 53 V., c. 31, ss. 29 and 35. Am.

List of transfers.

44. A list of all transfers of shares registered each day in the books of the bank at the respective places where transfers are authorized, showing in each case the parties to such transfers and the number of shares transferred, shall be made up at the end of each day.

For inspection.

2. Such lists shall be kept at the said respective places for the inspection of the shareholders. 53 V., c. 31, s. 36. Am.

Requirements for valid transfer

45. All sales or transfers of shares, and all contracts and agreements in respect thereof, hereafter made or purporting to be made, shall be null and void, unless the person making the sale or transfer, or the person in whose name or behalf the sale or transfer is made, at the time of the sale or transfer,—

- (a) is the registered owner in the books of the bank of the share or shares so sold or transferred, or intended or purporting to be sold or transferred; or,
- (b) has the registered owner's assent to the sale.

Contract to state number.

2. The distinguishing number or numbers, if any, of such share or shares shall be designated in the contract of agreement of sale or transfer.

Purchasers without notice.

3. Notwithstanding anything in this section contained, the rights and remedies under any contract of sale, which does not comply with the conditions and requirements in this section mentioned, of any purchaser who has no knowledge of such non-compliance, are hereby saved. 53 V., c. 31, s. 37.

Sale of shares under execution.

46. When any share of the capital stock has been sold under a writ of execution, the officer by whom the writ was executed shall, within thirty days after the sale, leave with the bank an attested copy of the writ, with the certificate of such officer endorsed thereon, certifying to whom the sale has been made.

Transfer, how executed.

2. The president, a vice-president or the general manager of the bank shall execute the transfer of the share so sold to

the purchaser, but not until after all debts and liabilities to the bank of the holder of the share, and all liens in favour of the bank existing thereon, have been discharged as by this Act provided.

3. Such transfer shall be to all intents and purposes as valid and effectual in law as if it had been executed by the holder of the said share. 53 V., c. 31, s. 38. Am. Validity.

47. If the interest in any share in the capital stock of any bank is transmitted by or in consequence of— Transmission of shares.

(a) the death, lunacy, bankruptcy, or insolvency of any shareholder; or,

(b) the marriage of a female shareholder; or,

(c) any lawful means, other than a transfer according to the provisions of this Act;

the transmission shall be authenticated by a declaration in writing, as hereinafter mentioned, or in such other manner as the directors of the bank require. How authenticated.

2. Every such declaration shall distinctly state the manner in which and the person to whom the share has been transmitted, and shall give his post office address and description, and such person shall make and sign the declaration. Declaration.

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 same is made and signed. Acknowledgment.

4. Every declaration so signed and acknowledged shall be left with the general manager, or other officer or agent of the bank, who shall thereupon enter the name of the person entitled under the transmission in the register of shareholders. To be left with bank.

5. Until the transmission has been so authenticated, no person claiming by virtue thereof shall be entitled to participate in the profits of the bank, or to vote in respect of any such share of the capital stock. 53 V., c. 31, s. 39. Am. Exercise of rights as shareholder.

48. If the transmission of any share of the capital stock has taken place by virtue of the marriage of a female shareholder, the declaration shall be accompanied by a copy of the register of such marriage, or other particulars of the celebration thereof, and shall declare the identity of the wife, with the holder of such share, and shall be made and signed by such female shareholder and her husband. Transmission by marriage of female shareholder.

2. The declaration may include a statement to the effect that the share transmitted is the separate property and Declaration.
If separate property of wife.
under

under the sole control of the wife, and that she may, without requiring the consent or authority of her husband, receive and grant receipts for the dividends and profits accruing in respect thereof, and dispose of and transfer the share itself.

Revocation.

3. The declaration shall be binding upon the bank and persons making the same, until the said persons see fit to revoke it by a written notice to the bank to that effect.

Omission not to invalidate.

4. The omission of a statement in any such declaration that the wife making the declaration is duly authorized by her husband to make the same shall not invalidate the declaration. 53 V., c. 31, s. 40.

Authentic-
tion of
declaration
and papers
in certain
cases.

49. Every such declaration and instrument as are by the last two preceding sections required to perfect the transmission of a share in the bank shall, if made in any country other than Canada, the United Kingdom or a British colony,—

(a) be further authenticated by the clerk of a court of record under the seal of the court, or by the British consul or vice-consul, or other accredited representative of His Majesty's Government in the country where the declaration or instrument is made; or,

(b) be made directly before such British consul, vice-consul or other accredited representative.

Further
evidence.

2. The directors, general manager or other officer or agent of the bank may require corroborative evidence of any fact alleged in any such declaration. 53 V., c. 31, s. 39. Am.

Transmission
by will or
intestacy.

50. If the transmission has taken place by virtue of any testamentary instrument, or by intestacy, the probate of the will, or the letters of administration, or act of curatorship or tutorship, or an official extract therefrom, shall, together with the declaration, be produced and left with the general manager or other officer or agent of the bank.

Entry.

2. The general manager or other officer or agent shall thereupon enter in the register of shareholders the name of the person entitled under the transmission. 53 V., c. 31, s. 41. Am.

Transmission
by decease.

51. Notwithstanding anything in this Act, if the transmission of any share of the capital stock has taken place by virtue of the decease of any shareholder, the production to the directors and the deposit with them of—

(a) any authenticated copy of the probate of the will of the deceased shareholder, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship, granted by any court

court in Canada having power to grant the same, or by any court or authority in England, Wales, Ireland, or any British colony, or of any testament, testamentary or testament dative expedé in Scotland; or,

(b) an authentic notarial copy of the will of the deceased shareholder, if such will is in notarial form according to the law of the province of Quebec; or,

(c) if the deceased shareholder died out of His Majesty's dominions, any authenticated copy of the probate of his will or letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters; shall be sufficient justification and authority to the directors for paying any dividend, or for transferring or authorizing the transfer of any share, in pursuance of and in conformity to the probate, letters of administration, or other such document as aforesaid. 53 V., c. 31, s. 42. Am.

SHARES SUBJECT TO TRUSTS.

52. The bank shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any share of its stock is subject. Bank not bound to see to trusts.

2. The receipt of the person in whose name any such share stands in the books of the bank, or, if it stands in the names of more persons than one, the receipt of one of such persons, shall be a sufficient discharge to the bank for any dividend or any other sum of money payable in respect of such share, unless, previously to such payment, express notice to the contrary has been given to the bank. Receipt.

3. The bank shall not be bound to see to the application of the money paid upon such receipt, whether given by one of such persons or all of them. 53 V., c. 31, s. 43. Bank not bound.

53. No person holding stock in the bank as executor, administrator, guardian, trustee, tutor or curator— Executor or trustee not personally liable.

(a) of or for any estate, trust or person named in the books of the bank as being represented by him; or,

(b) if the will or other instrument under or by virtue of which the stock is so held be named in the books of the bank in connection with such holding,

shall be personally subject to any liability as a shareholder; but the estate and funds in his hands shall be liable in like manner and to the same extent as the testator, intestate, ward or person interested in such estate and funds would be, if living and competent to hold the stock in his own name.

2. If the trust is for a living person or corporation, such person or corporation shall also be liable as a shareholder to the extent of his or its respective interest in the shares. Cestui que trust liable.

Executor
or trustee
liable if
trust not
named.

3. If the estate, trust or person so represented, or will or other instrument, is not named in the books of the bank, the executor, administrator, guardian, trustee, tutor or curator shall be personally liable in respect of the stock, as if he held it in his own name as owner thereof. 63-64 V., c. 26, s. 8. Am.

ANNUAL AND SPECIAL STATEMENTS.

Statement to
be laid
before annual
meeting.

54. At every annual general meeting of the shareholders for the election of directors, the outgoing directors shall submit a clear and full statement of the affairs of the bank, exhibiting, on the one part, the liabilities of the bank, and, on the other part, the assets and resources thereof, and the statement shall be signed by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the statement is signed, and shall be signed on behalf of the board by the president or a vice-president or any other two directors, neither of whom shall be an officer of the bank.

Liabilities.

2. The statement shall, without restricting the generality of the requirement of the next preceding subsection, include and show, on the one part, the amount of the—

- (a) capital stock paid in,
- (b) rest or reserve fund,
- (c) dividends declared and unpaid,
- (d) balance of profits, as per profit and loss account referred to in subsection 4 of this section,
- (e) notes of the bank in circulation,
- (f) deposits not bearing interest,
- (g) deposits bearing interest, including interest accrued to date of statement,
- (h) balances due to other banks in Canada,
- (i) balances due to banks and banking correspondents in the United Kingdom and foreign countries,
- (j) bills payable,
- (k) acceptances under letters of credit,
- (l) liabilities not included in the foregoing;

and the statement shall include and show, on the other part, the amount of—

Assets.

- (a) current coin held by the bank,
- (b) Dominion notes held,
- (c) notes of other banks,
- (d) cheques on other banks,
- (e) balances due by other banks in Canada,
- (f) balances due by banks and banking correspondents elsewhere than in Canada,

- (g) Dominion and provincial government securities, not exceeding market value,
- (h) Canadian municipal securities, and British, foreign and colonial public securities other than Canadian,
- (i) railway and other bonds, debentures and stocks, not exceeding market value,
- (j) call and short (not exceeding thirty days) loans in Canada on bonds, debentures and stocks,
- (k) call and short (not exceeding thirty days) loans elsewhere than in Canada,
- (l) other current loans and discounts in Canada (less rebate of interest),
- (m) other current loans and discounts elsewhere than in Canada (less rebate of interest),
- (n) liabilities of customers under letters of credit as per contra,
- (o) real estate other than bank premises,
- (p) overdue debts, estimated loss provided for,
- (q) bank premises, at not more than cost, less amounts (if any) written off,
- (r) deposit with the Minister for the purposes of the Circulation Fund,
- (s) deposit in the central gold reserves,
- (t) other assets not included in the foregoing.

3. Any other or further particulars than those called for by subsection 2 of this section, which, in the opinion of the directors, are necessary to a full and clear statement of the affairs of the bank shall also be included and shown in such statement. Other particulars.

4. A profit and loss account for the financial year of the bank next preceding the date of the annual general meeting shall accompany the statement and be attached thereto; and shall be signed on behalf of the board by the same persons as are required by this section to sign the statement referred to. Profit and loss account.

5. A copy of the statement and of the profit and loss account, together with a copy of the minutes of the annual general meeting, shall be sent within four weeks thereafter to each shareholder at his last known post office address, as shown by the books of the bank, and a copy of each of these shall be sent to the Minister. 53 V., c. 31, s. 45. Am. Copies of statement to be sent to shareholders and Minister.

55. The directors shall also submit to the shareholders such further statements of the affairs of the bank as the shareholders require by by-law passed at the annual general meeting, or at any special general meeting of the shareholders called for the purpose. Further statements as required by by-law.

2. The statements so required shall be submitted at the annual general meeting, or at any special general meeting When to be submitted.

called for the purpose, or at such time and in such manner as is set forth in the by-law of the shareholders requiring such statements. 63-64 V., c. 26, s. 9. Am.

SHAREHOLDERS' AUDIT.

Selection
of persons
competent
to be
auditors.

56. The general managers of the banks (or in the absence of a general manager of any bank the official designated by him, or in default of such designation the principal officer of the bank next in authority) shall, at a meeting duly called by the president of the Association for the purpose before the thirtieth day of September, nineteen hundred and thirteen, and thereafter before the thirtieth day of June in each year, select by ballot persons deemed by them to be competent (no one of whom shall be a body corporate) not less than forty in number, any one of whom shall, subject to the provisions hereinafter contained, be eligible to be appointed an auditor under the provisions of this Act.

List to be
sent to
Minister.

2. A list of persons so selected, together with their post office addresses and occupations, shall forthwith be delivered or sent by registered post to the Minister, and the Minister may, in the case of the first selection, as hereinbefore provided, within ten days after the receipt of the list, and thereafter each year within sixty days after the receipt thereof, disapprove, as to eligibility to be appointed auditor of a particular bank or banks, or wholly disapprove, of the selection of any person named in the list, and such person shall not, to the extent of such disapproval, be qualified to be appointed an auditor under this section.

Disapproval,
if any.

3. The Minister shall communicate his disapproval, if any, to the Association.

Publication
in *Canada
Gazette*.

4. The Association shall, as soon as may be after the expiry of the time given to the Minister for disapproval, cause the list of persons qualified as hereinbefore provided, with their respective post office addresses and occupations, to be published in two successive issues of *The Canada Gazette*, and any limitation as to eligibility for the auditorship of a particular bank or banks of the persons named in the list shall be stated in the advertisement.

Qualification
of auditors.

5. No person shall be qualified to act as an auditor of a bank under this Act unless his name appears in the published list for the year, but this subsection shall not apply to an appointment of an auditor made by the Minister in pursuance of the provisions of this Act.

Appointment
of auditors.

6. The shareholders shall, at each annual general meeting, appoint an auditor or auditors, from the last published list of persons qualified, to hold office until the next annual general meeting.

Supersession
of auditors.

7. After the appointment of an auditor or auditors under the next preceding subsection of this section, shareholders,

the aggregate of whose paid-up capital stock is equal to at least one-third of the paid-up capital stock of the bank, who in writing under their respective hands allege that they are dissatisfied with the appointment so made, may, in and by the same writing, make application to the Minister to have the person or persons so appointed superseded, and the Minister may, after such inquiry as he may deem necessary, select an auditor or auditors instead of the auditor or auditors appointed at the annual general meeting, and the auditors so appointed shall thereupon cease to be the auditors of the bank and the auditors so selected shall be the auditors of the bank until the next annual general meeting.

8. If an appointment of auditors is not made at an annual general meeting, the Minister shall, on the written application of a shareholder, appoint an auditor or auditors of the bank to hold office until the next annual general meeting, and the Governor in Council shall fix the remuneration to be paid by the bank for the services of the auditor or auditors so appointed.

Appointment by Minister on application of shareholder.

9. A director or officer of the bank shall not be capable of being appointed auditor of the bank.

Officers disqualified.

10. A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless written notice of an intention to nominate that person to the office of auditor has been given by a shareholder to the bank at its chief office, not less than twenty-one days before the annual general meeting, and the bank shall deliver a copy of any such notice to the retiring auditor, if any, and shall give notice of the names of the persons eligible for nomination at the said meeting, and by whom such persons are respectively intended to be nominated, to every shareholder of the bank, by mailing the notice in the post office, post paid, to the last known post office address of the shareholder as shown by the records of the bank, at least fourteen days prior to the annual general meeting.

Notice required of intention to nominate auditor.

Retiring auditor notified.

Notice to shareholders.

11. If any casual vacancy occurs in the office of auditor the surviving or continuing auditor or auditors, if any, may act, but if there is no surviving or continuing auditor, and such vacancy has occurred more than three months before the annual general meeting, the directors shall, as hereafter in this section provided, call a special general meeting of the shareholders for the purpose of filling the vacancy.

Vacancies.

Special meeting.

12. Before calling such special general meeting the directors shall, as soon as may be after the vacancy occurs, give public notice by advertisement in six consecutive issues of one or more daily newspapers published in the place where the chief office of the bank is situate, and if no daily newspaper is published at that place, then by advertisement

Public notice by advertisement.

in two consecutive issues of a newspaper published weekly in that place, of the vacancy in the office of auditor, and that the vacancy will be filled in the manner provided by this Act.

Notice of nomination to fill vacancy.

13. A person shall not be capable of being appointed auditor to fill such vacancy unless notice of an intention to nominate that person to the office of auditor has been given by a shareholder to the bank at its chief office within ten days after the last publication of the notice called for by the next preceding subsection.

Special general meeting.

Notice to shareholders.

14. The directors shall, as soon as may be after the expiry of the ten days mentioned in the next preceding subsection, call a special general meeting of the shareholders for the purpose of filling the vacancy, and notice of such meeting, specifying the object, and stating the names of the persons eligible for nomination, and by whom such persons are respectively intended to be nominated, shall be given to every shareholder of the bank by mailing the notice in the post office, post paid, to the last known post office address of the shareholder as shown by the records of the bank, at least fourteen days prior to the date fixed for the meeting.

Appointment of auditor by Minister in case of vacancy.

15. If the vacancy contemplated by subsection 11 of this section is not filled in the manner provided, or if a casual vacancy occurs in the office of auditor less than three months before the annual general meeting, the Minister in the former case shall, and in the latter case may, on the written application of a shareholder, appoint an auditor or auditors to hold office until the next annual general meeting, and the Governor in Council shall fix the remuneration to be paid by the bank for the services of the auditor or auditors so appointed.

Remuneration.

16. The remuneration of auditors appointed by the shareholders shall be fixed by the shareholders at the time of their appointment, and in the event of such appointees being superseded and other auditors selected, as provided by subsection 7 of this section, the remuneration so fixed shall be divided between them according to the length of time they respectively are auditors of the bank.

Powers and rights of auditors.

17. Every auditor of a bank shall have a right of access to the books and accounts, cash, securities, documents and vouchers of the bank, and shall be entitled to require from the directors and officers of the bank such information and explanation as may be necessary for the performance of the duties of the auditors.

Audit of branches or agencies.

18. If the bank has branches or agencies it shall be sufficient for all the purposes of this section if the auditors are allowed access to the returns, reports and statements and to such copies of extracts from the books and accounts of any such

branch or agency as have been transmitted to the chief office, but the auditors may in their discretion visit any branch or agency for the purpose of examining the books and accounts, cash, securities, documents and vouchers at the branch or agency.

19. It shall be the duty of the auditors once at least during their term of office, in addition to such checking and verification as may be necessary for their report upon the statement submitted to the shareholders under section 54 of this Act, and at a different time, to check the cash and verify the securities of the bank at the chief office of the bank against the entries in regard thereto in the books of the bank, and, should they deem it advisable, to check and verify in the same manner the cash and securities at any branch or agency.

Duty of auditors to check cash and verify securities.

20. The auditors shall make a report to the shareholders—

Report of auditors to shareholders.

- (a) on the accounts examined by them;
- (b) on the checking of cash and verification of securities referred to in the next preceding subsection; and,
- (c) on the statement of the affairs of the bank submitted by the directors to the shareholders under section 54 of this Act during their tenure of office;

and the report shall state—

- (a) whether or not they have obtained all the information and explanation they have required; Particulars.
- (b) whether, in their opinion, the transactions of the bank which have come under their notice have been within the powers of the bank;
- (c) whether their checking of cash and verification of securities required by subsection 19 of this section agreed with the entries in the books of the bank with regard thereto; and,
- (d) whether, in their opinion, the statement referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the bank's affairs according to the best of their information and the explanations given to them, and as shown by the books of the bank.

21. The auditors' report shall be attached to the statement submitted by the directors to the shareholders under section 54 of this Act, and the report shall be read before the shareholders in the annual general meeting.

Attached to annual statement and read.

22. Any further statement of the affairs of the bank submitted by the directors to the shareholders under section 55 of this Act shall be subject to audit and report, and the report of the auditors thereon shall state—

Audit and report on further statements.

- (a) whether or not they have obtained the information and explanation they have required; Particulars.

(b) whether, in their opinion, such further statement is properly drawn up so as to exhibit a true and correct view of the affairs of the bank, in so far as the by-law requires a statement thereof, according to the best of their information and the explanations given to them, and as shown by the books of the bank.

Attached to statement and read.

Copies.

23. The report shall be attached to the further statement referred to in the next preceding subsection, and shall be read before the shareholders at the meeting to which such further statement is submitted, and a copy of the statement and report shall be sent by the directors at and after the meeting to any shareholder applying therefor.

AUDITORS' REPORT TO MINISTER.

Examination by auditor appointed by Minister.

56A. The Minister may direct and require any auditor appointed under the next preceding section of this Act, or any other auditor whom he may select, to examine and inquire specially into any of the affairs or business of the bank, and the auditor so appointed or selected, as the case may be, shall, at the conclusion of his examination and inquiry, report fully to the Minister the results thereof.

Powers of auditor.

2. For the purposes of this section the auditor appointed or selected as aforesaid shall have all the rights and powers given to an auditor under the next preceding section.

Remuneration.

3. For the performance of the duties imposed by this section the auditor shall be paid as remuneration, out of the Consolidated Revenue Fund, such sum as the Governor in Council may direct.

To be deemed auditor of bank.

4. The person selected by the Minister under this section shall, for the purposes of section 153 of this Act, be deemed to be an auditor of the bank.

DIVIDENDS.

Quarterly or half yearly dividends.

57. The directors of the bank shall, subject to the provisions of this Act, declare quarterly or half yearly dividends of so much of the profits of the bank as to the majority of them seems advisable.

Notice.

2. The directors shall give public notice, published for at least four weeks, of the payment of such dividends previously to the date fixed for such payment.

Where payable.

3. Dividends shall, on and after the date fixed for payment, be payable at the chief office of the bank, and at such of its branches, and at such other places, as the directors prescribe.

Books closed.

4. The directors may close the transfer books during a certain time, not exceeding fifteen days, before the payment of each dividend.

5. The liability of any bank under any law, custom or agreement to pay dividends heretofore or hereafter declared and payable on its capital stock shall continue notwithstanding any statute of limitations or any enactment or law relating to prescription. 53 V., c. 31, ss. 47, 90; R.S., c. 29, ss. 36 (4), 126. Am.

Liability of bank.

No prescription.

58. No dividend or bonus shall be declared so as to impair the paid-up capital of the bank.

Dividend not to impair capital.

2. The directors who knowingly and wilfully concur in the declaration or making payable of any dividend or bonus, whereby the paid-up capital of the bank is impaired, shall be jointly and severally liable for the amount of such dividend or bonus, as a debt due by them to the bank. 53 V., c. 31, s. 48.

Directors liable for such dividend.

59. No division of profits, either by way of dividends or bonus, or both combined, or in any other way, exceeding the rate of eight per cent per annum, shall be made by the bank unless, after making the same, the bank has a reserve or reserve fund, equal to at least thirty per cent of its paid-up capital after deducting all bad and doubtful debts. 53 V., c. 31, s. 49.

Dividend limited unless there is a certain reserve.

CASH RESERVES.

60. The bank shall hold in Dominion notes not less than forty per cent of the cash reserves which it has in Canada.

Cash reserves in Dominion notes.

2. The Minister shall make such arrangements as are necessary for ensuring the delivery of Dominion notes to any bank, in exchange for an equivalent amount of gold coin lawfully current at the several branch offices of the Department of Finance at which Dominion notes are redeemable, in Toronto, Montreal, Halifax, St. John, Winnipeg, Victoria, Charlottetown, Regina and Calgary respectively.

Supply of Dominion notes.

3. Such notes shall be redeemable at any of the branch offices mentioned in subsection 2 hereof. 53 V., c. 31, s. 50. Am.

Redemption.

ISSUE AND CIRCULATION OF NOTES.

61. The bank may issue and re-issue its notes payable to bearer on demand and intended for circulation: Provided that—

Issue of notes.

(a) the bank shall not, during any period of suspension of payment of its liabilities, issue or re-issue any of its notes; and,

Proviso.

(b) if, after any such suspension, the bank resumes business without the consent in writing of the curator, hereinafter provided for, it shall not issue or re-issue any of its notes until authorized by the Treasury Board so to do.

\$5, or multiples.

2. No such note shall be for a sum less than five dollars, or for any sum which is not a multiple of five dollars.

Amount limited.

3. Except as hereinafter provided, the total amount of the notes of a bank in circulation at any time shall not exceed the aggregate of—

(a) the amount of the unimpaired paid-up capital of the bank; and,

(b) the amount of current gold coin and of Dominion notes held for the bank in the central gold reserves hereinafter mentioned.

Appointment of trustees.

4. The Association may, with the approval of the Minister, appoint three trustees and the Minister may appoint a fourth trustee, and the trustees so appointed shall receive such amounts in current gold coin and Dominion notes, or either, as any bank may desire from time to time to deposit with them. The amounts so deposited are herein referred to as "central gold reserves" and shall be held and dealt with in accordance with the provisions of this Act.

"Central gold reserves."

By-laws respecting.

5. The Association may make by-laws, rules and regulations under section 124 of this Act respecting the custody and management of the central gold reserves and the carrying out of the provisions of this Act relating to such reserves.

Excess of notes over paid up capital.

6. When and so long as the amount of the notes of a bank in circulation in excess of its unimpaired paid-up capital is less than the amount deposited by it in the central gold reserves, the excess of the amount so deposited shall belong to the bank as its property, and the bank may apply to the trustees for a return of the excess last mentioned, and upon receiving from the bank a statement signed by the chief accountant and by the general manager or other principal officer next in authority in the management of the affairs of the bank at the time the statement is signed, and otherwise in the form provided by said by-laws, rules or regulations, setting forth to the best of the information and belief of these officers the amount of the notes of the bank in circulation on the date of such statement, the trustees shall return the whole or part of the deposit of the bank, as the case may be. On and from the date when such statement is transmitted by registered post or delivered to the trustees, the amount applied for shall, for the purpose of the statement to be made by the trustees to the Minister under subsection 7 of this section, and

for the purpose of calculating the total amount of the authorized note circulation of the bank, be deemed to have been withdrawn from the central gold reserves and shall not be taken into account in such statement nor included in such calculation; provided always that should the total amount of the notes of the bank in circulation be found, by reason of such withdrawal, to be in excess of the circulation of the bank authorized by this Act, the bank shall not be deemed to be released or relieved from any of the penalties imposed by this Act for circulation of the notes of a bank in excess of the amount authorized by this Act.

7. The trustees shall prepare and transmit by registered post or deliver to the Minister within the first twenty days of each month a statement to be signed by them showing the amount on each juridical day of the preceding month of the deposit of each bank in the central gold reserves and not withdrawn or deemed to be withdrawn under the provisions of this section.

Statement
to be sent
to Minister.

8. The Minister shall, from time to time, and not less frequently than twice in each year, cause an inspection and audit of the gold coin and Dominion notes held by the trustees to be made by officers of the Department of Finance.

Inspection
and audit
of gold coin
and notes.

9. It shall be the duty of such officers—

Particulars
of inspection.

(a) to inspect and ascertain the amount of the gold coin and Dominion notes held by the trustees for the respective banks at the date of inspection; and

(b) to ascertain from the books and accounts, documents and vouchers of the trustees the amounts of gold coin and Dominion notes held by the trustees for the respective banks at any preceding date named by the Minister.

10. Every such officer shall have a right of access to the gold coin and Dominion notes held and to the books and accounts, documents and vouchers of the trustees, and shall be entitled to require from the trustees such information and explanation as may be necessary for the performance of his duties.

Powers of
inspecting
officer.

11. Should the bank become insolvent within the meaning of this Act, the amount held for it in the central gold reserves shall be paid by the trustees to the liquidator or other person entitled by law to collect and receive the assets of the bank and shall be applied in redeeming the notes of such bank in circulation and for no other purpose, or in making the payment to the Minister required by section 116 of this Act.

When bank
insolvent.

12. When a vacancy in the office of a trustee appointed by the Association occurs, by resignation, death or other cause,

Vacancy in
office of
trustee.

cause, the trustee to fill the vacancy shall, subject to the approval of the Minister, be appointed by the Association; and when a vacancy occurs in the office of a trustee appointed by the Minister, the trustee to fill the vacancy shall be appointed by the Minister.

Remuneration of trustees.

13. The remuneration of trustees, including that of the trustee appointed by the Minister, and all charges and expenses incidental to the establishment and maintenance of the central gold reserves, shall be borne by the Association as the Association may, by by-law, rule or regulation, determine.

Additional issue during moving of crops.

14. During the usual season of moving the crops, that is to say, from and including the first day of September in any year to and including the last day of February next ensuing in addition to the said amount of notes hereinbefore authorized to be issued for circulation, the bank may issue its notes to an amount not exceeding fifteen per cent of the combined unimpaired paid-up capital and rest or reserve fund of the bank as stated in the statutory monthly return made by the bank to the Minister for the month immediately preceding that in which the additional amount is issued.

Notice of additional issue.

15. Whenever, under the authority of the next preceding subsection of this section, the issue of an additional amount of notes of the bank has been made, the general manager, or other principal officer next in authority in the management of the affairs of the bank for the time being, shall forthwith give notice thereof by registered letter addressed to the Minister and to the president of the Association.

Interest on additional issue.

16. While its notes in circulation are in excess of the aggregate referred to in subsection 3 of this section, the bank shall pay interest to the Minister at such rate, not exceeding five per cent per annum, as is fixed by the Governor in Council, on the amount of its notes in circulation in excess from day to day; and the interest so paid shall form part of the Consolidated Revenue Fund.

Return by bank.

17. A return shall be made and sent by the bank to the Minister showing the amount of its notes in circulation for each juridical day during any month in which any amount of notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding.

Time and form of return.

18. Such return shall be made up and sent within the first thirty days after the last day of the month in which any such amount in excess has been issued or is outstanding, and shall be accompanied by declarations which shall be a part of the return, and the declarations shall be in the form set forth in Schedule E to this Act, and shall be signed by the chief accountant, and by the president or a vice-president or the director then acting as president, and by the general

Signatures thereto.

manager or other principal officer next in authority in the management of the affairs of the bank at the time at which the declaration is signed.

19. Notwithstanding anything in this section hereinbefore contained, the total amount of such notes of the Bank of British North America in circulation at any time shall not exceed the aggregate of twenty-five per cent of the unimpaired paid-up capital of the bank, and the amount of current gold coin and of Dominion notes held by the bank in the central gold reserves; provided that the bank may, in lieu of current gold coin and Dominion notes, deposit with the trustees securities of the Dominion of Canada to an amount (taken at a valuation not greater than market value) not exceeding twenty-five per cent of the unimpaired paid-up capital of the bank, and such deposit of securities to the extent thereof shall be deemed to be, for the purposes of this section, a deposit of current gold coin and Dominion notes held by the trustees in the central gold reserves and shall be available in the event of the suspension of payment by the bank for the redemption of the notes of the bank.

Bank of
British
North
America.

20. The last mentioned bank may, during the said season of moving of crops, in addition to the circulation of its notes hereinbefore in the next preceding subsection of this section authorized, issue its notes to an amount not exceeding ten per cent of the combined unimpaired paid-up capital and rest or reserve fund of the bank as stated in the statutory return made by the bank for the month immediately preceding that in which the said additional amount is issued, and the said additional amount shall be otherwise subject to all the provisions of this section respecting circulation in addition to or in excess of the unimpaired paid-up capital permitted to other banks. 53 V., c. 31, s. 51; 63-64 V., c. 26, s. 10; 7-8 E. VII., c. 7, s. 1; 2 G. V., c. 5, s. 4. Am.

Issue of notes
of Bank
of B.N.A.
during
moving
of crops.

62. Notwithstanding the provisions of the last preceding section any bank may issue and re-issue, at any branch, agency or office of the bank in any British colony or possession other than Canada, notes of the bank payable to bearer on demand and intended for circulation in such colony or possession, for the sum of one pound sterling each, or for any multiple of such sum, or for the sum of five dollars each, or for any multiple of such sum of the dollars in commercial use in such colony or possession, if the issue or re-issue of such notes is not forbidden by the laws of such colony or possession.

Note issue
at agency in
British
possessions
other than
Canada.

2. No issue of notes of the denomination of five such dollars, or any multiple thereof, shall be made in any such

Governor in
Council to
fix rate for
circulation.
British

British colony or possession unless and until the Governor in Council, on the report of the Treasury Board, determines the rate, in Canadian currency, at which such notes shall be circulated as forming part of the total amount of the notes in circulation within the meaning of the last preceding section.

Redemption

3. The notes so issued shall be redeemable at par at any branch, agency or office of the bank in the colony or possession in which they are issued for circulation, and not elsewhere, except as in this section specially provided; and the place of redemption of such notes shall be legibly printed or stamped across the face of each note so issued.

Redemption if agency is abolished.

4. In the event of the bank ceasing to have a branch or agency or office in any such British colony or possession, all notes issued in such colony or possession under the provisions of this section shall become payable and redeemable at the rate of four dollars and eighty-six and two-thirds cents per pound sterling, or, in the case of the issue of notes of the denomination of five dollars, or any multiple thereof, of the dollars in commercial use in such colony or possession, at the rate established by the Governor in Council as required by this section, in the same manner as notes of the bank issued in Canada are payable and redeemable.

Total amount of circulation.

5. The amount of the notes at any time in circulation in any such colony or possession, issued under the provisions of this section, shall, at the rate mentioned in the last preceding subsection, form part of the total amount of the notes in circulation within the meaning of the last preceding section, and, except as herein otherwise specially provided, shall be subject to all the provisions of this Act.

No re-issue in Canada.

6. No notes issued for circulation in a British colony or possession other than Canada shall be re-issued in Canada.

Section limited.

7. Nothing in this section shall be construed to authorize any bank—

(a) to increase the total amount of its notes in circulation in Canada and elsewhere beyond the limit fixed by the last preceding section; or,

(b) to issue or re-issue in Canada notes payable to bearer on demand, and intended for circulation, for a sum less than five dollars, or for a sum which is not a multiple of five dollars. 4 E. VII., c. 3, ss. 1, 2, 3 and 4.

Pledge of notes prohibited.

63. The bank shall not pledge, assign, or hypothecate its notes; and no advance or loan made on the security of the notes of a bank shall be recoverable from the bank or its assets. 53 V., c. 31, s. 25.

Bank circulation redemption fund continued.

64. The moneys heretofore paid to and now deposited with the Minister by the banks to which this Act applies, constituting

constituting the fund known as the Bank Circulation Redemption Fund, shall continue to be held by the Minister for the purposes and subject to the provisions in this section mentioned and contained.

2. The Minister shall, upon the issue of a certificate under this Act authorizing a bank to issue notes and commence the business of banking, retain, out of any moneys of such bank then in his possession, the sum of five thousand dollars, which sum shall be held for the purposes of this section, until the annual adjustment hereinafter provided for takes place in the year then next following.

\$5,000 to be retained upon issue of certificate.

3. The amount at the credit of such bank shall, at such next annual adjustment, be adjusted by payment to or by the bank of such sum as is necessary to make the amount of money at the credit of the bank equal to five per cent of the average amount of its notes in circulation from the time it commenced business to the time of such adjustment and such sum shall thereafter be adjusted annually as hereinafter provided.

Adjustment.

Five per cent of average circulation.

4. The amounts heretofore and from time to time hereafter paid, to be retained and held by the Minister as by this section provided, shall continue to form and shall form the Circulation Fund.

Circulation Fund.

5. The Circulation Fund shall continue to be held as heretofore for the sole purpose of payment, in the event of the suspension by a bank of payment in specie or Dominion notes of any of its liabilities as they accrue, of the notes then issued or re-issued by such bank, intended for circulation, and then in circulation, and interest thereon.

Its purposes.

6. The Circulation Fund shall bear interest at the rate of three per cent per annum.

Fund to bear interest

7. The Circulation Fund shall be adjusted, as soon as possible after the thirtieth day of June in each year, in such a way as to make the amount at the credit of each bank contributing thereto, unless herein otherwise specially provided, equal to five per cent of the average note circulation of such bank during the then last preceding twelve months.

Adjustment annually.

8. The average note circulation of a bank during any period shall be determined from the average of the amount of its notes in circulation, as shown by the monthly returns for such period made by the bank to the Minister; and where, in any return the greatest amount of notes in circulation at any time during the month is given, such amount shall, for the purposes of this section, be taken to be the amount of the notes of the bank in circulation during the month to which such return relates: Provided, however, that in determining the average note circulation of a bank

Average note circulation, how determined.

Provido.

under this subsection the daily average for each month of the amount of the bank's deposit (if any) in the central gold reserves which has not been withdrawn or deemed to be withdrawn within the meaning of this Act shall be deducted from the greatest amount of the notes of the bank in circulation at any time during the month.

Rights of
Minister.

Proviso.

9. The Minister shall, with respect to all notes paid out of the Circulation Fund, have the same rights as any other holder of notes of the bank: Provided that all such notes, and all interest thereon, so paid by the Minister, after the amount at the credit of such bank in the Circulation Fund, and all interest due or accruing due thereon, has been exhausted, shall bear interest, at the rate of three per cent per annum, from the time such notes and interest are paid until such notes and interest are repaid to the Minister by or out of the assets of such bank. 53 V., e. 31, s. 54: 53-64 V., c. 26, s. 13.

Notes of
bank
suspending
payment to
bear interest

65. In the event of the suspension by a bank of payment in specie or Dominion notes of any of its liabilities as they accrue, the notes of the bank, issued or re-issued, intended for circulation, and then in circulation, shall bear interest at the rate of five per cent per annum, from the day of the suspension to such day as is named by the directors, or by the liquidator, receiver, assignee, or other proper official, for the payment thereof.

Notice of
time for
payment.

2. Notice of such day shall be given by advertisement in at least three consecutive issues of a daily newspaper, published in the place in which the chief office of the bank is situate, and if there is no daily newspaper published there, then by advertisement in two consecutive issues of any weekly newspaper published in that place.

As to notes
not then
presented.

3. If any notes presented for payment on or after any day named for payment thereof are not paid, all notes then unpaid and in circulation shall continue to bear interest until such further day as is named for payment thereof, of which day notice shall be given in manner hereinbefore provided.

Notes not
redeemed
to be paid
out of
Circulation
Fund.

4. If the directors of the bank or the liquidator, receiver, assignee or other proper official fails to make arrangements within two months from the day of the suspension of payment by the bank, for the payment of all of its notes and interest thereon, the Minister may make arrangements for the payment out of the Circulation Fund, of the notes remaining unpaid and all interest thereon, and the Minister shall give such notice of the payment as he thinks expedient.

Interest to
cease.

5. Notwithstanding anything herein, all interest upon such notes shall cease upon and from the date named by the Minister for such payment.

6. Nothing herein shall be construed to impose any liability upon the Government of Canada, or upon the Minister, beyond the amount available from time to time out of the Circulation Fund. 53 V., c. 31, s. 54; 63-64 V., c. 26, s. 11. Am. Government not liable.

66. All payments made from the Circulation Fund shall be without regard to the amount contributed thereto by the bank in respect of whose notes the payments are made. Payment from fund.

2. If the payments from the Circulation Fund by the bank so suspending payment, and all interest due or accruing due to such bank thereon, the other banks to which this Act applies shall, on demand, make good to the Circulation Fund the amount of the excess, proportionately to the amount which each such other bank had or should have contributed to the Circulation Fund, at the time of the suspension of the bank in respect of whose notes the payments are made: Provided that— If fund exceeded.

(a) each of such other banks shall only be called upon to make good to the Circulation Fund its share of the excess in payments not exceeding, in any one year, one per cent of the average amount of its notes in circulation; Proviso.

(b) such circulation shall be ascertained in such manner as the Minister decides; and,

(c) the Minister's decision shall be final.

3. All amounts recovered and received by the Minister from the bank on account of which such payments were made shall, after the amount of such excess has been made good as aforesaid, be distributed among the banks contributing to make good such excess, proportionately to the amount contributed by each. 53 V., c. 31, s. 54; 63-64 V., c. 26, s. 12. Amounts recovered, how distributed.

67. In the event of the winding-up of the business of a bank by reason of insolvency or otherwise, the Treasury Board may, on the application of the directors, or of the liquidator, receiver, assignee or other proper official, and on being satisfied that proper arrangements have been made for the payment of the notes of the bank and any interest thereon, pay over to the directors, liquidator, receiver, assignee or other proper official, the amount of the Circulation Fund at the credit of the bank, or such portion thereof as it thinks expedient. 53 V., c. 31, s. 54. a Refund of deposit if bank is wound-up.

68. The Treasury Board may make all such rules and regulations as it thinks expedient with reference to— Treasury Board rules.

- (a) the payment of any moneys out of the Circulation Fund, and the manner, place and time of such payment;
- (b) the collection of all amounts due to the Circulation Fund;
- (c) all accounts to be kept in connection therewith; and,
- (d) generally the management of the Circulation Fund and all matters relating thereto. 53 V., c. 31, s. 54.

Minister may enforce payments.

69. The Minister may, in his official name, by action in the Exchequer Court of Canada, enforce payment, with costs of action, of any sum due and payable by any bank which should form part of the Circulation Fund. 53 V., c. 31, s. 54.

Arrangements to be made for circulation at par, and redemption.

70. The bank shall make such arrangements as are necessary to ensure the circulation at par, in any and every part of Canada, of all notes issued or re-issued by it and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes at Toronto, Montreal, Halifax, St. John, Winnipeg, Victoria, Charlottetown, Regina and Calgary, and at such other places as are, from time to time, designated by the Treasury Board. 53 V., c. 31, s. 55. Am.

Bank must take its own notes.

71. The bank shall always receive in payment its own notes at par at any of its branches, agencies or offices, and whether they are made payable there or not.

Payment in Dominion notes.

72. The bank, when making any payment shall, on the request of the person to whom the payment is to be made, pay the same, or such part thereof, not exceeding one hundred dollars, as such person requests, in Dominion notes for one, two, or five dollars each, at the option of such person.

No torn or defaced notes.

2. No payment, whether in Dominion notes or bank notes, shall be made by the bank in bills that are unclean or torn or partially defaced by excessive handling.

Disinfection of notes.

3. The Treasury Board may make regulations providing for the disinfection and sterilization by the several banks of all bank notes and Dominion notes which have come into the bank's possession before a re-issue thereof to the public; and the bank, its officers, clerks and servants, shall carry out and execute the regulations made under the authority of this section. 53 V., c. 31, s. 57. Am.

Bills or notes binding though not sealed.

73. The bills or notes of the bank signed by the president, a vice-president, the general manager or other officer appointed

appointed by the directors of the bank to sign the same, promising the payment of money to any person, or to his order, or to the bearer, though not under the corporate seal of the bank, shall be binding and obligatory on the bank, in like manner and with 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.

2. The directors of the bank may, from time to time, authorize or depute the general manager, a manager or other officer of the bank, or any director other than the president or a vice-president, or any manager of any branch or office of discount and deposit of the bank, to sign the notes of the bank intended for circulation. 53 V., c. 31, s. 58. Am.

Directors may depute officer to sign.

74. All bank notes and bills whereon the name of any person entrusted or authorized to sign such notes or bills on behalf of the bank is impressed by machinery provided for that purpose, by or with the authority of the bank, shall be good and valid to all intents and purposes, as if such notes and bills had been subscribed in the proper handwriting of the person entrusted or authorized by the bank to sign the same respectively, and shall be bank notes and bills within the meaning of all laws and statutes whatever, and may be described as bank notes or bills in all indictments and civil or criminal proceedings whatever: Provided that if all such names are impressed by machinery, at least one such name to each note or bill, together with a distinguishing device and number, shall be impressed or engraved under the authority of the bank after the notes are received by the bank from the engraver and printer, and shall not be otherwise impressed or engraved. 53 V., c. 31, s. 29. Am.

Bills may be signed by machinery.

75. Every officer charged with the receipt or disbursement of public moneys, and every officer of any bank, and every person acting as or employed by any banker, shall stamp or write in plain letters, upon every counterfeit or fraudulent note issued in the form of a Dominion or bank note, and intended to circulate as money, which is presented to him at his place of business, the word "Counterfeit," "Altered" or "Worthless."

Counterfeit or fraudulent notes to be stamped.

2. If such officer or person wrongfully stamps any genuine note he shall, upon presentation, redeem it at the face value thereof. 53 V., c. 31, s. 62.

If wrongfully stamped.

BUSINESS AND POWERS OF A BANK.

76. The bank may—

(a) open branches, agencies and offices;

Business and powers of bank.

(b) engage in and carry on business as a dealer in gold and silver coin and bullion;

(c) deal in, discount and lend money and make advances upon the security of, and take as collateral security for any loan made by it, bills of exchange, promissory notes and other negotiable securities, or the stock, bonds, debentures and obligations of municipal and other corporations, whether secured by mortgage or otherwise, or Dominion, provincial, British, foreign, and other public securities; and,

(d) engage in and carry on such business generally as appertains to the business of banking.

Exceptions.

2. Except as authorized by this Act, the bank shall not, either directly or indirectly,—

(a) deal in the buying or selling, or bartering of goods, wares and merchandise, or engage or be engaged in any trade or business whatsoever;

(b) purchase, or deal in, or lend money, or make advances upon the security or pledge of any share of its own capital stock, or of the capital stock of any bank; or,

(c) lend money or make advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property, or of any ships or other vessels, or upon the security of any goods, wares and merchandise. 53 V., c. 31, s. 34.

Bank to have lien upon the stock of its debtors.

77. The bank shall have a privileged lien, for any debt or liability for any debt to the bank, on the shares of its own capital stock, and on any unpaid dividends of the debtor or person liable, and may decline to allow any transfer of the shares of such debtor or person until the debt is paid.

Sale of shares.

2. The bank shall, within twelve months after the debt has accrued and become payable, sell such shares: Provided that notice shall be given to the holder of the shares of the intention of the bank to sell the same, by mailing the notice, in the post office, post paid, to the last known address of the holder, as shown by the records of the bank, at least thirty days prior to the sale.

Notice.

Transfer.

3. Upon the sale being made the president, a vice-president or the general manager shall execute a transfer of the shares to the purchaser thereof in the usual transfer book of the bank.

Effect of transfer.

4. Such transfer shall vest in the purchaser all the rights in or to the said shares which were possessed by the holder thereof, with the same obligation of warranty on his part as if he were the vendor thereof, but without any warranty from the bank or by the officer of the bank executing the transfer. 53 V., c. 31, s. 65 Am.

78. The stock, bonds, debentures or securities, acquired and held by the bank as collateral security, may, in case of default in the payment of the debt, for the securing of which they were so acquired and held, be dealt with sold and conveyed, either in like manner and subject to the same restrictions as are herein provided in respect of stock of the bank on which it has acquired a lien under this Act, or in like manner as and subject to the restrictions under which a private individual might in like circumstances deal with, sell and convey the same: Provided that the bank shall not be obliged to sell within twelve months.

Collateral securities may be sold.

2. The right so to deal with and dispose of such stock, bonds, debentures or securities in manner aforesaid may be waived or varied by any agreement between the bank and the owner of the stock, bonds, debentures or securities.

Right of sale may be waived.

53 V., c. 31, s. 66 Am.

79. 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.

Acquisition of real estate.

2. The bank shall annually, during the month of January, make to the Minister a return showing in detail the fair market value of its real and immovable property held under this section.

Return to Minister.

80. The bank may take, hold and dispose of mortgages and hypothèques upon real or personal, immovable or movable property, by way of additional security for debts contracted to the bank in the course of its business.

Mortgages and hypothèques of realty.

2. The rights, powers and privileges which the bank is by this Act declared to have, or to have had, in respect of real or immovable property mortgaged to it, shall be held and possessed by it in respect of any personal or movable property which is mortgaged or hypothecated to the bank.

As to personalty.

81. The bank may purchase any lands or real or immovable property offered for sale—

Purchases of realty.

- (a) under execution, or in insolvency, or under the order or decree of a court, as belonging to any debtor to the bank; or,
- (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 lands or 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 which it may so purchase, and may acquire a title thereto as any individual, purchasing at sheriff's sale, or under a power of sale, in like circumstances could do, and may take, have, hold and dispose of the same at pleasure. 53 V., c. 31, s. 69. Am.

Bank may acquire absolute title to mortgaged premises.

82. The bank may acquire and hold an absolute title in or to real or immovable property mortgaged to it as security for a debt due or owing to it, either by the obtaining of a release of the equity of redemption in the mortgaged property, or by procuring a foreclosure, or by other means whereby, as between individuals, an equity of redemption can, by law, be barred, or a transfer of title to real or immovable property can, by law, be effected, and may purchase and acquire any prior mortgage or charge on such property.

No Act or law to prevent.

2. Nothing in any charter, Act or law shall be construed as ever having been intended to prevent or as preventing the bank from acquiring and holding an absolute title to and in any such mortgaged real or immovable property, whatever the value thereof, or from exercising or acting upon any power of sale contained in any mortgage given to or held by the bank, authorizing or enabling it to sell or convey any property so mortgaged. 53 V., c. 31, s. 71; 63-64 V., c. 26, s. 14.

Property to be sold within certain time.

83. No bank shall hold any real or immovable property, howsoever acquired, except such as is required for its own use, for any period exceeding seven years from the date of the acquisition thereof, or any extension of such period as in this section provided, and such property shall be absolutely sold or disposed of, within such period or extended period, as the case may be, so that the bank shall no longer retain any interest therein unless by way of security.

Extension of time.

2. The Treasury Board may direct that the time for the sale or disposal of any such real or immovable property shall be extended for a further period or periods, not to exceed five years.

Twelve years.

3. The whole period during which the bank may so hold such property under the foregoing provisions of this section shall not exceed twelve years from the date of the acquisition thereof.

Property not sold liable to forfeiture.

4. Any real or immovable property, not required by the bank for its own use, held by the bank for a longer period than authorized by the foregoing provisions of this section shall

shall be liable to be forfeited to His Majesty for the use of the Dominion of Canada: Provided that—

Proviso.

- (a) no such forfeiture shall take effect until the expiration of at least six calendar months after notice in writing to the bank by the Minister of the intention of His Majesty to claim the forfeiture; and,
 (b) the bank may, notwithstanding such notice, before the forfeiture is effected sell or dispose of the property free from liability to forfeiture.

5. The provisions of this section shall apply to any real or immovable property heretofore acquired by the bank and held by it at the time of the coming into force of this Act. 63-64 V., c. 26, s. 14.

Provisions apply to realty now held.

84. The bank may lend money upon the security of standing timber, and the rights or licenses held by persons to cut or remove such timber.

Loans on standing timber.

84A. The bank may lend money to a receiver, to a receiver and manager, or to a liquidator appointed under any winding-up Act, provided such receiver, receiver and manager or liquidator has been duly authorized or empowered to borrow; and, in respect of any money so lent, the bank may take security, with or without personal liability, from such receiver, receiver and manager, or liquidator, to such an amount, and upon such property and assets, as may be directed or authorized by any court of competent jurisdiction. 63-64 V., c. 26, s. 16. Am.

Loans to receiver or liquidator under winding-up Act.

Security fixed by court.

85. Every bank advancing money in aid of the building of any ship or vessel shall have the same right of acquiring and holding security upon such ship or vessel, while building and when completed, either by way of mortgage, hypothèque, hypothecation, privilege or lien thereon, or purchase or transfer thereof, as individuals have in the province wherein the ship or vessel is being built.

Advances for building ships.

2. The bank may, for the purpose of obtaining and enforcing such security, avail itself of all such rights and means, and shall be subject to all such obligations, limitations and conditions, as are, by the law of such province, conferred or imposed upon individuals making such advances. 53 V., c. 31, s. 72.

Rights and obligations.

86. The bank may acquire and hold any warehouse receipt or bill of lading as collateral security for the payment of any debt incurred in its favour, or as security for any liability incurred by it for any person, in the course of its banking business.

Warehouse receipts and bills of lading.

Effect of taking.

2. Any warehouse receipt or bill of lading so acquired shall vest in the bank, from the date of the acquisition thereof,—

- (a) all the right and title to such warehouse receipt, bill of lading and to the goods covered thereby of the previous holder or owner thereof; or,
- (b) all the right and title to the goods, wares and merchandise mentioned therein of the person from whom such goods, wares and merchandise were received or acquired by the bank, if the warehouse receipt or bill of lading is made directly in favour of the bank, instead of to the previous holder or owner of such goods, wares and merchandise. 53 V., c. 31, s. 73; 63-64 V., c. 26, s. 15. Am.

When previous holder is an agent.

87. If the previous holder of such warehouse receipt or bill of lading is any person—

- (a) entrusted with the possession of the goods, wares and merchandise mentioned therein, by or by the authority of the owner thereof; or,
- (b) to whom such goods, wares and merchandise are, by or by the authority of the owner thereof, consigned; or,
- (c) who, by or by the authority of the owner of such goods, wares and merchandise, is possessed of any bill of lading, receipt, order or other document covering the same, such as is used in the course of business as proof of the possession or control of goods, wares and merchandise, or as authorizing or purporting to authorize, either by endorsement or by delivery, the possessor of such a document to transfer or receive the goods, wares and merchandise thereby represented;

the bank shall be, upon the acquisition of such warehouse receipt or bill of lading, vested with all the right and title of the owner of such goods, wares and merchandise, subject to the right of the owner to have the same retransferred to him if the debt or liability, as security for which such warehouse receipt or bill of lading is held by the bank, is paid.

Presumption of possession

2. Any person shall be deemed to be the possessor of such goods, wares and merchandise, bill of lading, receipt, order or other document as aforesaid—

- (a) who is in actual possession thereof; or
- (b) for whom, or subject to whose control such goods, wares and merchandise are, or bill of lading, receipt, order, or other document is held by any other person. 53 V., c. 31, s. 73; 63-64 V., c. 26, s. 15. Am.

Loans upon live or dead stock.

88. The bank may lend money to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest,

forest, quarry and mine, or the sea, lakes and rivers, or to any wholesale purchaser or shipper of or dealer in live stock or dead stock or the products thereof, upon the security of such products, or of such live stock or dead stock or the products thereof.

2. The bank may lend money to a farmer upon the security of his threshed grain grown upon the farm. Grain.

3. The bank may lend money to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise, upon the security of the goods, wares and merchandise manufactured by him, or procured for such manufacture. Loans to wholesale manufacturers.

4. If, with the consent of the bank, the products, goods, wares and merchandise, live stock or dead stock or the products thereof, upon the security of which money has been loaned under the authority of this section, are removed and other products, goods, wares and merchandise, live stock or dead stock or the products thereof of substantially the same character are respectively substituted therefor, then to the extent of the value of the products, goods, wares and merchandise, or live stock or dead stock or the products thereof so removed, the products, goods, wares and merchandise, live stock or dead stock or the products thereof so substituted shall be covered by such security as if originally covered thereby; but failure to obtain the consent of the bank to any such substitution shall not affect the validity of the security either as respects any products, goods, wares and merchandise, or live stock or dead stock or the products thereof actually substituted as aforesaid or in any other particular. Removal of goods. Substitution. Security.

5. Any such security, as mentioned in the foregoing provisions of this section, may be given by the owner of the said products, goods, wares and merchandise, stock or products thereof, or grain. Owner may give the security.

6. The security may be taken in the form set forth in Schedule C to this Act, or to the like effect. Form of security.

7. The bank shall, by virtue of such security, acquire the same rights and powers in respect of the products, goods, wares and merchandise, stock or products thereof, or grain covered thereby as if it had acquired the same by virtue of a warehouse receipt; provided, however, that the wages, salaries or other remuneration of persons employed by any wholesale purchaser, shipper or dealer, by any wholesale manufacturer, or by any farmer in connection with any of the several wholesale businesses referred to, or in connection with the farm, owing in respect of a period not exceeding three months, shall be a charge upon the property covered by the said security in priority to the claim of the bank thereunder, Same rights as upon warehouse receipts.

thereunder, and such wages, salaries or other remuneration shall be paid by the bank if the bank takes possession or in any way disposes of the said security or of the products, goods, wares and merchandise, stock or products thereof, or grain covered thereby. 53 V., c. 31, s. 74; 63-64 V., c. 26, s. 17. Am.

Goods
manufactured from
articles
pledged.

89. If goods, wares and merchandise are manufactured or produced from the goods, wares and merchandise, or any of them, included in or covered by any warehouse receipt, or included in or covered by any security given under the last preceding section, while so covered, the bank holding such warehouse receipt or security shall hold or continue to hold such goods, wares and merchandise, during the process and after the completion of such manufacture or production, with the same right and title, and for the same purposes and upon the same conditions, as it held or could have held the original goods, wares and merchandise.

Prior claim
of bank over
unpaid
vendor.

2. All advances made on the security of any bill of lading or warehouse receipt, or of any security given under the last preceding section, shall give to the bank making the advances a claim for the repayment of the advances on the products or stock, goods, wares and merchandise therein mentioned, or into which they have been converted, prior to and by preference over the claim of any unpaid vendor:

Proviso.

Provided that such preference shall not be given over the claim of any unpaid vendor who had a lien upon the products or stock, goods, wares and merchandise at the time of the acquisition by the bank of such warehouse receipt, bill of lading, or security, unless the same was acquired without knowledge on the part of the bank of such lien.

Sale of
goods on
non-payment
of debt.

3. In the event of the non-payment at maturity of any debt or liability secured by a warehouse receipt or bill of lading, or secured by any security given under the last preceding section, the bank may sell the products or stock, goods, wares and merchandise or grain, mentioned therein, or so much thereof as will suffice to pay such debt or liability with interest and expenses, returning the surplus, if any, to the person from whom the warehouse receipt, bill of lading, or security, or the products or stock, goods, wares and merchandise or grain mentioned therein, as the case may be, were acquired: Provided that such power of sale shall be exercised subject to the following provisions namely:—

Proviso.

Notice of
sale of
saw-logs,
railway ties
and lumber.

(a) No sale, without the consent in writing of the owner of any products of the forest shall be made under this Act until notice of the time and place of such sale has

been given by a registered letter, mailed in the post office, post paid, to the last known address of the pledgor thereof, at least thirty days prior to the sale thereof;

(b) No such products or stock, other than products of the forest, and no goods, wares and merchandise, and no grain, shall be sold by the bank under this Act without the consent of the owner, until notice of the time and place of sale has been given by a registered letter, mailed in the post office, post paid, to the last known address of the pledgor thereof, at least ten days prior to the sale thereof;

Notice of
sale of goods.

(c) Every sale, under such power of sale, without the consent of the owner, shall be made by public auction, after notice thereof by advertisement, in at least two newspapers published in or nearest to the place where the sale is to be made, stating the time and place thereof; and, if the sale is in the province of Quebec, then at least one of such newspapers shall be a newspaper published in the English language, and one other such newspaper shall be a newspaper published in the French language. 53 V., c. 31, ss. 76, 77 and 78; 63-64 V., c. 26, s. 19. Am.

Sale by
auction.

90. The bank shall not acquire or hold any warehouse receipt or bill of lading, or any such security as aforesaid, to secure the payment of any bill, note, debt, or liability, unless such bill, note, debt or liability is negotiated or contracted,—

Conditions
under which
bank may
take
security.

- (a) at the time of the acquisition thereof by the bank; or,
(b) upon the written promise or agreement that such warehouse receipt or bill of lading or security would be given to the bank:

Provided that such bill, note, debt or liability may be renewed, or the time for the payment thereof extended, without a^rguing any such security.

Proviso.

2. The bank may—

(a) exchange the bill of lading or warehouse receipt for any products or stock, goods, wares and merchandise, or grain, for which it holds a warehouse receipt, or any such security as aforesaid, surrender such receipt or security and receive a bill of lading in exchange therefor; or,

Exchanging
of warehouse
receipt for
bill of lading
and vice
versa.

(b) on the receipt of any products or stock, goods, wares and merchandise, or grain, for which it holds a bill of lading, or any such security as aforesaid, surrender such bill of lading or security, store the products or stock, goods, wares and merchandise, or grain, and take a warehouse receipt therefor, or ship the products or stock, goods, wares and merchandise, or grain, or part

of them, and take another bill of lading therefor. 53 V., c. 31, s. 75; 63-64 V., c. 26, s. 18.

Interest at 7 per cent may be charged.

91. The bank may stipulate for, take, reserve or exact any rate of interest or discount not exceeding seven per cent per annum and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank.

Return to Minister.

2. The bank shall make a quarterly return to the Minister, as of the last juridical day of the months of March, June, September and December in each year, giving such particulars as may be prescribed by regulations made by the Treasury Board of the interest and discount rates charged by the bank.

Signature to returns.

3. Such returns shall be made up and sent in within the first thirty days after the respective juridical days aforesaid, and shall be signed by the same persons as are required to sign the monthly returns made to the Minister under section 112 of this Act. 53 V., c. 31, s. 80. Am.

Any rate may be allowed. Liability of bank on deposit.

92. The bank may allow any rate of interest whatever upon money deposited with it.

2. The liability of the bank, under any law, custom or agreement to repay moneys heretofore or hereafter deposited with it and interest, if any, shall continue, notwithstanding any statute of limitations, or any enactment or law relating to prescription. 53 V., c. 31, s. 90; R.S., c. 29, s. 126.

Percentage chargeable for collection.

93. When any note, bill, or other negotiable security or paper, payable at any of the bank's places or seats of business, branches, agencies or offices of discount and deposit in Canada, is discounted at any other of the bank's places or seats of business, branches, agencies or offices of discount and deposit, the bank may, in order to defray the expenses attending the collection thereof, receive or retain in addition to the discount thereon, a percentage calculated upon the amount of such note, bill, or other negotiable security or paper, not exceeding one-eighth of one per cent; provided that the bank may make a minimum charge of fifteen cents. 53 V., c. 31, s. 82.

Agency charges.

94. The bank may, in discounting any note, bill or other negotiable security or paper, *bona fide* payable at any place in Canada, other than that at which it is discounted, and other than one of its own places or seats of business, branches, agencies or offices of discount and deposit in Canada, receive and retain, in addition to the discount thereon, a sum not exceeding one-fourth of one per cent

on the amount thereof; provided that the bank may make a minimum charge of twenty-five cents. 53 V., c. 31, s. 83.

95. The bank may, subject to the provisions of this section, without the authority, aid, assistance or intervention of any other person or official being required,—

Deposits may be received from persons unable to contract.

- (a) receive deposits from any person whomsoever, whatever his age, status or condition in life, and whether such person is qualified by law to enter into ordinary contracts or not; and,
- (b) from time to time repay any or all of the principal thereof, and pay the whole or any part of the interest thereon to such person, unless before such repayment the money so deposited in the bank is lawfully claimed as the property of some other person.

2. In the case of any such lawful claim the money so deposited may be paid to the depositor with the consent of the claimant, or to the claimant with the consent of the depositor.

Payments by consent.

3. If the person making any such deposit could not, under the law of the province where the deposit is made, deposit and withdraw money in and from a bank without this section, the total amount to be received from such person on deposit shall not, at any time, exceed the sum of five hundred dollars. 53 V., c. 31, s. 84. 53 V., c. 31, s. 80. Am.

Deposit limited to \$500.

96. The bank shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any deposit made under the authority of this Act is subject.

Bank not bound to see to trust in deposits.

2. Except only in the case of a lawful claim, by some other person, before repayment the receipt of the person in whose name any such deposit stands, or, if it stands in the names of two persons, the receipt of one, or, if it stands in the names of more than two persons, the receipt of a majority of such persons, shall, notwithstanding any trust to which such deposit is then subject, and whether or not the bank sought to be charged with such trust, and with which the deposit has been made had notice thereof, be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit.

Receipt of one of two joint depositors sufficient.

Or of a majority.

3. The bank shall not be bound to see to the application of the money paid upon such receipt. 53 V., c. 31, s. 84.

Application.

97. If a person dies, having a deposit with the bank not exceeding the sum of five hundred dollars, the production to the bank of—

If depositor dies, claim not exceeding \$500, how proved.

- (a) any authenticated copy of the probate of the will of the deceased depositor, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, Ireland or any British colony, or of any testament, testamentary or testament dative expedé in Scotland; or,
- (b) an authentic notarial copy of the will of the deceased depositor, if such will is in notarial form, according to the law of the province of Quebec; or,
- (c) if the deceased depositor died out of His Majesty's dominions, any authenticated copy of the probate of his will, or letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters; shall be sufficient justification and authority to the directors for paying such deposit, in pursuance of and in conformity to such probate, letters of administration, or other documents as aforesaid.

Deposit of
copy of
document.

2. When the authenticated copy or other document of like import is produced to the bank under subsection 1 of this section, there shall be deposited with the bank a true copy thereof. 63-64 V., c. 26, s. 20.

DOMINION GOVERNMENT CHEQUES.

Dominion
government
cheques to
be paid at
par.

98. The bank shall not charge any discount or commission for the cashing of any official cheque of the Government of Canada or of any department thereof, whether drawn on the bank cashing the cheque or on any other bank. 53 V., c. 31, s. 103.

PURCHASE OF THE ASSETS OF A BANK.

Bank may
sell assets to
another
bank.

99. Any bank may sell the whole or any portion of its assets to any other bank which may purchase such assets; and the selling and purchasing banks may, for such purposes, enter into an agreement of sale and purchase, which agreement shall contain all the terms and conditions connected with the sale and purchase of such assets.

Consent of
Minister.

2. No agreement by a bank to sell the whole or any portion of its assets to another bank shall be made unless and until the Minister, in writing, consents that an agreement under subsection 1 of this section may be entered into between the two banks. 63-64 V., c. 26, s. 33. Am.

100. The consideration for any such sale and purchase may be as agreed upon between the selling and purchasing banks.

Consideration.

2. If the consideration, or any portion thereof, is shares of the capital stock of the purchasing bank, the agreement shall provide for the amount of the shares of the purchasing bank to be paid to the selling bank.

If in shares of capital stock.

3. Until such shares so paid to the selling bank have been sold by such bank, or have been distributed among and accepted by the shareholders of such bank, they shall not be considered issued shares of the purchasing bank for the purposes of its note circulation. 63-64 V., c. 26, s. 34.

Not considered issued until sold or distributed.

101. The agreement of sale and purchase shall be submitted to the shareholders of the selling bank, either at the annual general meeting of such bank or at a special general meeting thereof called for the purpose.

Agreement of sale to be submitted to selling shareholders at meeting.

2. A copy of the agreement shall be mailed, post paid, to each shareholder of such bank to his last known address, at least four weeks previously to the date of the meeting at which the agreement is to be submitted, together with a notice of the time and place of the holding of such meeting. 63-64 V., c. 26, s. 35.

Copy to each shareholder by mail.

102. If at such meeting the agreement is approved by resolution carried by the votes of shareholders, present or represented by proxy, representing not less than two-thirds of the amount of the subscribed capital stock of the bank, the agreement may be executed under the seals of the banks, parties thereto, and application may be made to the Governor in Council, through the Minister, for approval thereof.

Agreement may be executed if they approve.

2. Until the agreement is approved by the Governor in Council it shall not be of any force or effect. 63-64 V., c. 26, s. 36.

Approval of Governor in Council.

103. If the agreement provides for the payment of the consideration for such sale and purchase, in whole or in part, in shares of the capital stock of the purchasing bank, and for such purpose it is necessary to increase the capital stock of such bank, the agreement shall not be executed on behalf of the purchasing bank, unless nor until it is approved by the shareholders thereof at the annual general meeting, or at a special general meeting of such shareholders. 63-64 V., c. 26, s. 37.

Approval of shareholders of purchasing bank.

104. The Governor in Council may, on the application for his approval of the agreement, approve of the increase of

Needs any increase of stock may be approved.

of the capital stock of the purchasing bank, which is necessary to provide for the payment of the shares of such bank to the selling bank, as provided in the said agreement. 63-64 V., c. 26, s. 38.

Ordinary provisions for increase not to apply

105. The provisions of this Act with regard to—

- (a) the increase of the capital stock of the bank by by-law of the shareholders approved by the Treasury Board; and,
 - (b) the allotment and sale of such increased stock;
- shall not apply to any increase of stock made or provided for under the authority of the last two preceding sections. 63-64 V., c. 26, s. 38.

Conditions on which Governor in Council may approve agreement.

106. The approval of the Governor in Council shall not be given to the agreement, unless—

- (a) the consent of the Minister as prescribed by sub-section 2 of section 99 of this Act has been given;
- (b) the approval of the agreement is recommended by the Treasury Board;
- (c) the application for approval thereof is made, by or on behalf of the bank executing it, within three months from the date of execution of the agreement; and,
- (d) it appears to the satisfaction of the Governor in Council that all the requirements of this Act in connection with the approval of the agreement by the shareholders of the selling and purchasing banks have been complied with, and that, after the approval by the shareholders of the selling bank, notice of the intention of the banks to apply to the Governor in Council for the approval of the agreement has been published for at least four weeks in *The Canada Gazette*, and in one or more newspapers published in places where the chief offices of the banks are situate.

Information.

2. Such banks shall afford all information that the Minister requires.

Approval may be refused.

3. Nothing herein contained shall be construed to prevent the Governor in Council or the Treasury Board from refusing to approve of the agreement or to recommend its approval. 63-64 V., c. 26, s. 39. Am.

Further conditions.

107. The agreement shall not be approved of unless it appears that—

- (a) proper provisions have been made for the payment of the liabilities of the selling bank;
- (b) the agreement provides for the assumption and payment by the purchasing bank of the notes of the selling bank issued and intended for circulation, outstanding and in circulation; and,

(c) the amounts of the notes of both the purchasing and selling banks, issued for circulation, outstanding and in circulation, as shown by the then last monthly returns of the banks, do not together exceed the then paid-up capital of the purchasing bank and the amount (if any) held for both of the said banks in the central gold reserves referred to in section 61 of this Act; or if the amount of such notes does exceed such paid-up capital and the amount so held, an amount in cash, equal to the excess of such notes over such paid-up capital and the amount so held, has been deposited by the purchasing bank with the Minister.

2. The amount so deposited under paragraph (c) of sub-section 1 of this section shall be held by the Minister as security for the redemption of the said excess of notes; and when the amount of the notes of the two banks outstanding and in circulation is less than the aggregate of the paid-up capital of the purchasing bank, the amount aforesaid (if any) held in the central gold reserves, together with the amount so deposited, the difference shall, from time to time, be repaid by the Minister out of the deposit, to the extent thereof, to the purchasing bank, but without interest, on the application of such bank, and on the production of such evidence as the Minister may require to show the amount of the notes of the two banks then outstanding and in circulation. 63-64 V., c. 27, s. 1. Am.

108. The notes of the selling bank so assumed and to be paid by the purchasing bank shall, on the approval of the agreement, be deemed to be, for all intents and purposes, notes of the purchasing bank issued for circulation; and the purchasing bank shall be liable in the same manner and to the same extent as if it had issued them for circulation.

2. The amount at the credit of the selling bank in the Circulation Fund shall, on the approval of the agreement, be transferred to the credit of the purchasing bank.

3. The trustees shall not permit any part of the deposit (if any) of the selling bank in the central gold reserves to be withdrawn under the provisions of this Act after the last juridical day of the month in which notice of intention to apply to the Governor in Council for approval of the agreement has been given and pending such approval, unless and until the trustees are notified in writing by the Minister of his consent thereto; and on the approval of the agreement the trustees shall hold the deposit (if any) for and as if such deposit had been originally made by the purchasing bank.

4. The notes of the selling bank shall not be re-issued, but shall be called in, redeemed and cancelled as quickly as possible. 63-64 V., c. 26, s. 41.

Notes of selling bank to become notes of purchasing bank.

Circulation Fund.

As to withdrawal of deposit in central gold reserves.

Notes to be called in.

Evidence of approval by Governor in Council.

Order in council conclusive.

109. The approval by the Governor in Council of the agreement shall be evidenced by a certified copy of the order in council approving thereof.

2. A copy of such order in council or extract thereof, and a copy of such agreement, purporting to be certified to be true by the clerk or assistant or acting clerk of the King's Privy Council for Canada shall, in all courts of justice and for all purposes, be *prima facie* evidence of the said agreement, and of its due execution, and of its approval by the Governor in Council, and of the regularity of all proceedings in connection therewith. 63-64 V., c. 26, s. 42. Am.

On approval of Governor in Council the assets pass.

Further assurance.

110. On the agreement being approved of by the Governor in Council, the assets therein referred to as sold and purchased shall, in accordance with and subject to the terms thereof, and without any further conveyance, become vested in the purchasing bank.

2. The selling bank shall, from time to time, subject to the terms of the agreement, execute such formal and separate conveyances, assignments and assurances, for registration purposes or otherwise, as are reasonably required to confirm or evidence the vesting in the purchasing bank of the full title or ownership of the assets referred to in the agreement. 63-64 V., c. 26, s. 43.

Selling bank to cease business and be wound up.

111. As soon as the agreement is approved of by the Governor in Council, the selling bank shall cease to issue or re-issue notes for circulation, and shall cease to transact any business, except such as is necessary to enable it to carry out the agreement, to realize upon any assets not included in the agreement, to pay and discharge its liabilities, and generally to wind up its business; and the charter or Act of incorporation of such bank, and any Acts in amendment thereof then in force, shall continue in force only for the purposes in this section specified. 63-64 V., c. 26, s. 44.

RETURNS.

Monthly returns.

Within first 20 days.

When return last received may be used.

112. Monthly returns shall be made by the bank to the Minister in the form set forth in Schedule D to this Act.

2. Such returns shall be made up and sent in within the first twenty days of each month, and shall exhibit the condition of the bank on the last juridical day of the month last preceding.

3. Notwithstanding anything in this section, whenever, in the usual course of the post, the return of a branch or agency for the last juridical day of the month, mailed at the branch or agency on or before the second day of the following month, does not reach—

- (a) the chief office of the bank on or before the eighteenth day of the month; or,
- (b) the office of the general manager, if the office of the general manager is at a place other than the chief office of the bank, on or before the fifteenth day of the month.
- the return last received from any such branch, exhibiting as far as that branch is concerned the condition of the bank at the date for which it purports to be made, may be used in the compilation of the monthly return called for by this section.
4. The monthly returns shall be signed by the chief accountant or by the acting chief accountant and by the president, or a vice-president, or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the declaration is signed. How signed.
5. As soon as may be after the annual general meeting there shall be sent to the Minister the names of the directors elected thereat and the names of the president and vice-presidents, and should any casual vacancy occur in the membership of the board of directors, or in the office of president, or vice-president, the Minister shall forthwith be notified of the name of the person by whom the vacancy has been filled. Names of directors, president and vice-president, sent to Minister. Vacancies
6. If any change is made in the holder of the office of chief accountant or of general manager, the Minister shall forthwith be notified of the name of the person by whom the vacancy has been filled. Notice to Minister of change of officers
7. In the case of the Bank of British North America the returns called for by this section shall be signed by the officer of that bank known as the assistant secretary in the place of the chief accountant as hereinbefore in this section prescribed, and by the general manager at the chief office of that bank under this Act, in the place of the president and general manager as hereinbefore prescribed, and the part of such return containing the respective forms of declaration in Schedule D shall, for the purposes of returns by the said bank, be modified accordingly. Monthly returns of Bank of British North America, how signed
8. Any other returns required to be made by a bank under the provisions of this Act shall in like manner in the case of the Bank of British North America be signed by the officers of that bank who are referred to in the next preceding subsection; and the part, if any, of such returns containing the respective forms of declaration shall, for the purposes of returns by the said bank, be modified accordingly. 53 V., c. 31, s. 85. Am. Other returns by Bank of British North America.

113. The Minister may also call for special returns from any bank, whenever, in his judgment, they are necessary to afford a full and complete knowledge of its condition. Special returns.

How made.

2. Such special returns shall be made and signed in the manner and by the persons specified in the last preceding section.

Within 30 days from demand.

3. Such special returns shall be made and sent in within thirty days from the date of the demand therefor by the Minister: Provided that the Minister may extend the time for sending in such special returns for such further period, not exceeding thirty days, as he thinks expedient. 53 V., c. 31, s. 86.

Annual returns of unpaid dividends and balances

114. The bank shall, within twenty days after the close of each calendar year, transmit or deliver to the Minister a return—

- (a) of all dividends which have remained unpaid for more than five years; and,
- (b) of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid, during the five years prior to the date of such return:

Provided that, in the case of moneys deposited for a fixed period, the said term of five years shall be reckoned from the date of the termination of such fixed period.

What return shall show.

2. The return mentioned in the last preceding subsection shall set forth—

- (a) the name of each shareholder or creditor to whom such dividends, amounts or balances are, according to the books of the bank, payable;
- (b) the last known address of each such shareholder or creditor;
- (c) the amount due to each such shareholder or creditor;
- (d) the branch or agency of the bank at which the last transaction took place;
- (e) the date of such last transaction; and,
- (f) if such shareholder or creditor is known to the bank to be dead, the names and addresses of his legal representatives, so far as known to the bank.

Further annual return.

3. The bank shall likewise, within twenty days after the close of each calendar year, transmit or deliver to the Minister a return of all certified cheques, drafts or bills of exchange, issued by the bank to any person, and remaining unpaid for more than five years prior to the date of such return, setting forth so far as known,—

Particulars.

- (a) the names of the persons to whom, or at whose request, such drafts, certified cheques, or bills of exchange were issued;
- (b) the addresses of such persons;
- (c) the names of the payees of such drafts or bills of exchange;

- (d) the amounts and dates of such certified cheques, drafts or bills of exchange;
- (e) the names of the places where such certified cheques, drafts or bills of exchange were payable; and,
- (f) the branches or agencies of the bank respectively from which such drafts, certified cheques or bills of exchange were issued.

4. If a dividend, amount or balance, certified cheque, draft, or bill of exchange is for a less sum than five dollars, and returns in respect thereof have been made under the preceding provisions of this section for five consecutive years, the bank may hereafter omit from the respective returns particulars required by the same provisions with regard to any such dividend, amount or balance, certified cheque, draft or bill of exchange.

Amounts under five dollars.

5. The returns required by the foregoing provisions of this section shall be accompanied by a declaration which shall be a part of the return, and the declaration shall be in the form set forth in Schedule F, and shall be signed by the chief accountant, and a vice-president or a vice-president or the director in acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time which the declaration is signed.

Declarations and signatures.

6. The bank shall transmit by registered post to the person to whom any such dividend, amount or balance is payable, and to the person to whom (in so far as known to the bank) and to the person at whose request any such draft, certified cheque or bill of exchange was issued, to the last known post office address of each person as shown by the books of the bank, a notice in writing stating that such dividend remains unpaid, or that in respect of such amount or balance no action has taken place or no interest has been paid, or that such draft, certified cheque or bill remains unpaid, as the case may be.

Notice that dividend draft or cheque remains unpaid.

7. The notice filed for by the next preceding subsection is required to be given once only, namely, during the month of January next after the end of the first five year period in respect of which—

When notice to be given.

- (a) the dividend has remained unpaid; or,
- (b) no action has taken place or no interest has been paid in connection with such amount or balance; or,
- (c) the draft, certified cheque or bill has remained unpaid.

8. The bank shall, within twenty days after the close of each calendar year, transmit or deliver to the Minister a list, certified by the general manager or other principal officer of the bank next in authority in the management of

Certified annual list of shareholders transmitted to Minister.

the affairs of the bank at the time at which the list is certified, and by the officer of the bank in charge of the register of shareholders, to be a correct list and in accordance with the books of the bank with regard thereto; and the list shall show—

- (a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses and descriptions;
- (b) the number of shares then held by them respectively; and,
- (c) the amount paid thereon.

Laid before
Parliament.

9. The Minister shall lay such returns and lists before Parliament at the next session thereof. 53 V., c. 31, ss. 87 and 88; 63-64 V., 26, s. 21. Am.

PAYMENTS TO THE MINISTER UPON WINDING UP.

Unclaimed
moneys paid
to Minister
on
winding-up
of bank.

115. If, in the event of the winding-up of the business of the bank in insolvency, or under any general winding-up Act, or otherwise, any moneys payable by the liquidator, either to shareholders or depositors, remain unclaimed,—

- (a) for the period of three years from the date of suspension of payment by the bank; or,
- (b) for a like period from the commencement of the winding-up of such business; or,
- (c) until the final winding-up of such business, if the business is finally wound up before the expiration of the said three years;

With
interest.

such moneys and all interest thereon shall, notwithstanding any statute of limitations or other Act relating to prescription, be paid to the Minister, to be held by him subject to all rightful claims on behalf of any person other than the bank.

Governor in
Council may
order
payment to
person
entitled.

2. If a claim to any moneys so paid is thereafter established to the satisfaction of the Treasury Board, the Governor in Council shall, on the report of the Treasury Board, direct payment thereof to be made to the person entitled thereto, together with interest on the principal sum thereof, at the rate of three per cent per annum for a period not exceeding six years from the date of payment thereof to the Minister as aforesaid: Provided that no such interest shall be paid or payable on such principal sum unless interest thereon was payable by the bank paying the same to the Minister.

Interest.

Bank
discharged.

3. Upon payment to the Minister as herein provided, the bank and its assets shall be held to be discharged from further liability for the amounts so paid. 53 V., c. 31, s. 88.

116. Upon the winding-up of a bank in insolvency or under any general winding-up Act, or otherwise, the assignees, liquidators, directors, or other officials in charge of such winding-up shall, before the final distribution of the assets, or within three years from the commencement of the suspension of payment by the bank, whichever shall first happen, pay over to the Minister a sum, out of the assets of the bank, equal to the difference between the amount then outstanding of the notes intended for circulation issued by the bank, together with any interest on such outstanding notes which may have accrued under section 65 of this Act, and the aggregate of the amount at the credit of the bank in the Circulation Fund and the amount (if any) paid to the Minister by the trustees under section 61 of this Act.

Circulation
outstanding
at
distribution
of assets.

2. Upon such payment being made, the bank and its assets shall be relieved from all further liability in respect of such outstanding notes.

Bank
relieved.

3. The sum so paid shall be held by the Minister and applied for the purpose of redeeming, whenever presented, such outstanding notes, without interest, except such as may have been paid over under this section. 53 V., c. 31, s. 88. Am.

Minister to
redeem.

CURATOR.

117. The Association shall, if a bank suspends payment in specie or Dominion notes of any of its liabilities as they accrue, forthwith appoint a curator to supervise the affairs of such bank.

Association
to appoint
curator.

2. The Association may at any time remove the curator, and may appoint another person to act in his stead. 63-64 V., c. 26, s. 24.

Removal.

118. The appointment of the curator shall be made in the manner provided for in the by-law of the Association made in that behalf as hereinafter provided.

Appoint-
ment by
Association.

2. If there is no such by-law the appointment shall be made in writing by the president of the Association, or by the person acting as president. 63-64 V., c. 26, s. 25.

If no by-law

119. The curator shall assume supervision of the affairs of the bank, and of all necessary arrangements for the payment of the notes of the bank issued for circulation, and, at the time of his appointment, outstanding and in circulation.

Powers and
duties of
curator.

2. The curator shall generally have all powers and shall take all steps and do all things necessary or expedient to protect the rights and interests of the creditors and shareholders of the bank, and to conserve and ensure the proper disposition,

Generally.

disposition, according to law, of the assets of the bank; and, for the purposes of this section, he shall have free and full access to all books, accounts, documents and papers of the bank.

Supervision. 3. The curator shall continue to supervise the affairs of the bank until he is removed from office, or until the bank resumes business, or until a liquidator is duly appointed to wind up the business of the bank. 63-64 V., c. 26, s. 26.

Officers and clerks to assist curator. **120.** The president, vice-president, directors, general manager, managers, clerks and officers of the bank shall give and afford to the curator all such information and assistance as he requires in the discharge of his duties. 63-64 V., c. 26, s. 27.

No act of directors valid unless approved by curator. **121.** No by-law, regulation, resolution or act, touching the affairs or management of the bank, passed, made or done by the directors during the time the curator is in charge of the bank, shall be of any force or effect until approved in writing by the curator. 63-64 V., c. 26, s. 27.

Curator to make returns as required by Minister. **122.** The curator shall make all returns and reports, and shall give all information to the Minister, touching the affairs of the bank, that the Minister requires of him. 63-64 V., c. 26, s. 28.

Remuneration of curator. **123.** The remuneration of the curator for his services, and his expenses and disbursements in connection with the discharge of his duties, shall be fixed and determined by a judge of a superior court in the province where the chief office of the bank is situate, and shall be paid out of the assets of the bank, and, in case of the winding-up of the bank, shall rank on the estate equally with the remuneration of the liquidator. 63-64 V., c. 26, s. 29.

BY-LAWS OF THE CANADIAN BANKERS' ASSOCIATION.

By-laws. **124.** The Association may, at any meeting thereof, with the approval of two-thirds in number of the banks represented at such meeting, if the banks so approving have at least two-thirds in par value of the paid-up capital of the banks so represented, make by-laws, rules and regulations respecting—

As to what subjects. (a) all matters relating to the appointment or removal of the curator, and his powers and duties;
(b) the supervision of the making of the notes of the banks which are intended for circulation, and the delivery thereof to the banks;

- (c) the inspection of the disposition made by the banks of such notes;
- (d) the destruction of notes of the banks;
- (e) the custody and management of the central gold reserves and the carrying out of the provisions of this Act relating to such reserves; and,
- (f) the imposition of penalties for the breach or non-observance of any by-law, rule or regulation made by virtue of this section.

2. No such by-law, rule or regulation, and no amendment or repeal thereof, shall be of any force or effect until approved by the Treasury Board. Approval by Treasury Board.

3. Before any such by-law, rule or regulation, or any amendment or repeal thereof is so approved, the Treasury Board shall submit it to every bank which is not a member of the Association, and give to each such bank an opportunity of being heard before the Treasury Board with respect thereto. Notice to other banks.

4. The Association shall have all powers necessary to carry out, or to enforce the carrying out, of any by-law, rule or regulation, or any amendment thereof, so approved by the Treasury Board. 63-64 V., c. 26, ss. 30 and 31. Enforcement of by-laws.

INSOLVENCY.

125. In the event of the property and assets of the bank being insufficient to pay its debts and liabilities, each shareholder of the bank shall be liable for the deficiency, to an amount equal to the par value of the shares held by him, in addition to any amount not paid up on such shares. Double liability of shareholders.

2. "Shareholder," within the meaning of this section, shall include an undisclosed principal and, to the extent of his interest, a *cestui que trust*, on whose behalf or for whose benefit shares in the capital stock of the bank are held. 53 V., c. 31, s. 89. "Shareholder" defined.

126. Any suspension by the bank of payment of any of its liabilities as they accrue, in specie or Dominion notes, shall, if it continues for ninety days consecutively, or at intervals within twelve consecutive months, constitute the bank insolvent, and work a forfeiture of its charter or Act of incorporation, so far as regards all further banking operations. 53 V., c. 31, s. 91. Suspension for 90 days to constitute insolvency.

127. The charter or Act of incorporation of the bank shall, in the case mentioned in the next preceding section, remain in force only for the purpose of enabling the directors, or other lawful authority, to make and enforce the calls mentioned in the next following section of this Act. Charter to remain in force for calls and winding up.

and to wind up the business of the bank. 53 V., c. 31, s. 91. Am.

If no proceedings within 3 months thereafter, directors to make calls.

128. If any suspension of payment in full, in specie or Dominion notes, of all or any of the notes or other liabilities of the bank, continues for three months after the expiration of the time which, under the two last preceding sections would constitute the bank insolvent, and if no proceedings are taken under any Act for the winding-up of the bank, the directors shall make calls on the shareholders thereof, to the amount they deem necessary to pay all the debts and liabilities of the bank not exceeding the limit of liability of the shareholders hereinbefore specified, without waiting for the collection of any debts due to the bank or the sale of any of its assets or property.

Intervals.
Notice.
Number.

2. Such calls shall be payable at intervals of thirty days.
3. Notice of such calls shall be given to the shareholders.
4. Any number of such calls may be made by one resolution.

Amount.
Payment.

5. No such call shall exceed twenty per cent on each share.
6. Payment of such calls may be enforced in like manner as payment of calls on unpaid stock may be enforced.

First call.

7. The first of such calls may be made within ten days after the expiration of the said three months.

Procedure.

8. In the event of proceedings being taken, under any Act, for the winding-up of the bank in consequence of the insolvency of the bank, the said calls shall be made in the manner prescribed for the making of such calls in such Act.

Forfeiture for non-payment.

9. Any failure on the part of any shareholder liable to any such call to pay the same when due, shall work a forfeiture by such shareholder of all claim in or to any part of the assets of the bank: Provided that such call, and any further call thereafter, shall nevertheless be recoverable from him as if no such forfeiture had been incurred. 53 V., c. 31, ss. 92, 93 and 94. Am.

Proviso.

Liability of directors not diminished.

129. Nothing in the four sections last preceding shall be construed to alter or diminish the additional liabilities of the directors as herein mentioned and declared. 53 V., c. 31, s. 95.

Liability of shareholder who have transferred their stock.

130. (a) Persons who, having been shareholders of the bank, have only transferred their shares, or any of them, to others, as hereinbefore provided, within sixty days before the commencement of the suspension of payment by the bank; and,

Or whose subscriptions have been cancelled.

(b) Persons whose subscriptions to the stock of the bank have been forfeited, in manner hereinbefore provided,

within the said period of sixty days before the commencement of the suspension of payment by the bank; shall be liable to all calls on the shares held or subscribed for by them, as if they held such shares at the time of such suspension of payment, saving their recourse against those by whom such shares were then actually held. 53 V., c. 31, s. 96.

- 131.** In the case of the insolvency of any bank,—
- (a) the payment of the notes issued or re-issued by such bank, intended for circulation, and then in circulation, together with any interest paid or payable thereon as hereinbefore provided, shall be the first charge upon the assets of the bank; Order of charges.
Notes.
 - (b) the payment of any amount due to the Government of Canada, in trust or otherwise, shall be the second charge upon such assets; Dominion Government.
 - (c) the payment of any amount due to the government of any of the provinces, in trust or otherwise, shall be the third charge upon such assets; and, Provincial governments.
 - (d) the amount of any penalties for which the bank is liable shall not form a charge upon the assets of the bank, until all other liabilities are paid. 53 V., c. 31, s. 53. Penalties.

OFFENCES AND PENALTIES.

Payments of Incorporation and Organization expenses.

131A. If prior to the time at which the certificate permitting the bank to issue notes and commence the business of banking has been obtained from the Treasury Board, any provisional director or director authorizes or is a party to the payment of, or receives, out of moneys paid in by subscribers or interest thereon, any sum for commission, salary or charges for services in connection with or arising out of the incorporation or organization of the bank, it shall be an offence against this Act. Offences
Payments of expenses prior to obtaining Treasury Board certificate.

2. If after the certificate has been obtained from the Treasury Board, any director authorizes payment of, or any general manager or other officer of the bank pays or causes to be paid any money for or on account of the incorporation or organization expenses of the bank, except and unless the sum so paid is mentioned or included in the statement submitted to the Treasury Board at the time at which the application is made under this Act to the Board for a certificate permitting the bank to issue notes and commence the business of banking, it shall be an offence against this Act. After certificate obtained.

When no certificate obtained.

3. If no certificate from the Treasury Board has been obtained within the time limited by this Act, it shall be an offence against this Act for any provisional director or director to authorize or be a party to the payment of, or to receive, out of moneys paid in by subscribers, any sum for commission, salary or charges for services in connection with or arising out of the incorporation or organization of the bank, unless provision has been made pursuant to section 16 of this Act for payment.

Penalty for bank officers obtaining gifts or showing favour.

131B. Every one is guilty of an offence and liable, upon conviction on indictment, to two years' imprisonment or to a fine not exceeding two thousand five hundred dollars, or to both, and, upon summary conviction, to imprisonment for six months, with or without hard labour, or to a fine not exceeding one hundred dollars, or both, who—

(a) being a director, general manager, manager, or other executive officer of a bank, corruptly accepts or obtains, or agrees to accept or attempts to obtain, from any person for himself or for any other person, any gift or consideration as an inducement or reward for doing or forbearing to do, or for having, after this Act comes into force, done or forborne to do, any act relating to the bank's business or affairs, or for showing or forbearing to show favour or disfavour to any person with relation to the bank's business or affairs; or,

Penalty for offering gifts or showing favour to bank officers.

(b) corruptly gives or agrees to give or offers any gift or consideration to any director, general manager, manager, or other executive officer of a bank as an inducement or reward or consideration to such director, general manager, manager, or other executive officer of the bank, for doing or forbearing to do, or for having, after this Act comes into force, 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.

Commencement of Business.

Commencing business without certificate.

132. Every director or provisional director of any bank and every other person who, before the obtaining of the certificate from the Treasury Board, by this Act required, permitting the bank to issue notes or commence business, issues or authorizes the issue of any note of such bank, or transacts

or authorizes the transaction of any business in connection with such bank, except such as is by this Act authorized to be transacted before the obtaining of such certificate, is guilty of an offence against this Act. 53 V., c. 31, s. 14.

Sale and Transfer of Shares.

133. Any person, whether principal, broker or agent, who wilfully sells or transfers or attempts to sell or transfer—

(a) any share or shares of the capital stock of any bank by a false number; or,

(b) any share or shares of which the person making such sale or transfer, or in whose name or on whose behalf the same is made, is not at the time of such sale, or attempted sale, the registered owner; or,

(c) any share or shares, without the assent to such sale of the registered owner thereof;

is guilty of an offence against this Act. 53 V., c. 31, s. 37. Offence.

Sale and transfer of shares contrary to requirements.

Cash Reserves.

134. Every bank which at any time holds in Dominion notes less than forty per cent of the cash reserves which it has in Canada shall incur a penalty of five hundred dollars for each such offence. 53 V., c. 31, s. 50. Am.

Penalty for cash reserve not held in prescribed notes.

Issue and Circulation of Notes.

135. If the total amount of the notes of the bank in circulation at any time exceeds the amount authorized by this Act the bank shall,—

(a) if the amount of such excess is not over one thousand dollars, incur a penalty equal to the amount of such excess; or,

(b) if the amount of such excess is over one thousand dollars, and not over twenty thousand dollars, incur a penalty of one thousand dollars; or,

(c) if the amount of such excess is over twenty thousand dollars, and not over one hundred thousand dollars, incur a penalty of ten thousand dollars; or,

(d) if the amount of such excess is over one hundred thousand dollars, and not over two hundred thousand dollars, incur a penalty of fifty thousand dollars; or,

(e) if the amount of such excess is over two hundred thousand dollars, incur a penalty of one hundred thousand dollars. 53 V., c. 31, s. 51.

Excess of circulation.

136. Every person, except a bank to which this Act applies, who issues or re-issues, makes, draws, or endorses

Unauthorized issue of notes for circulation.

any bill, bond, note, cheque or other instrument, intended to circulate as money, or to be used as a substitute for money, for any amount whatsoever, shall incur a penalty of four hundred dollars.

Penalty,
recovery of.

2. Such penalty shall be recoverable with costs, in any court of competent jurisdiction, by any person who sues for the same.

Appropriation.

3. A moiety of such penalty shall belong to the person suing for the same, and the other moiety to His Majesty for the public uses of Canada.

Intention presumed.

4. If any such instrument is made for the payment of a less sum than twenty dollars, and is payable either in form or in fact to the bearer thereof, or at sight, or on demand, or at less than thirty days thereafter or is overdue, or is in any way calculated or designed for circulation, or as a substitute for money, the intention to pass the same as money shall be presumed, unless such instrument is—

Exceptions.

- (a) a cheque on some chartered bank paid by the maker directly to his immediate creditor; or,
- (b) a promissory note, bill of exchange, bond or other undertaking for the payment of money made or delivered by the maker thereof to his immediate creditor: and,
- (c) not designed to circulate as money or as a substitute for money. 53 V., c. 31, s. 60.

Defacement of notes.

137. Every person who mutilates, cuts, tears or perforates with holes any Dominion or bank note, or who in any way defaces a Dominion or bank note, whether by writing, printing, drawing or stamping thereon, or by attaching or affixing thereto anything in the nature or form of an advertisement shall, on summary conviction, be liable to a penalty not exceeding twenty dollars.

Penalty.

Issue, by bank, of notes not disinfected or sterilized

2. Every officer, clerk and servant of a bank who, for the bank, re-issues to the public any bank notes or Dominion notes which have not been disinfected and sterilized in accordance with the regulations made by the Treasury Board under the authority of this Act shall, on the information of any person, on summary conviction, be liable to a penalty not exceeding twenty dollars.

Penalty.

3. In the event of the conviction of any officer, clerk or servant of a bank under this section, the bank shall thereby incur a penalty of fifty dollars. 53 V., c. 31, s. 61. Am.

Issuing notes during period of suspension.

138. (a) Every person who, being president, vice-president, director, general manager, manager, clerk or other officer of the bank, issues or re-issues, during any period of suspension of payment by the bank of its liabilities,

liabilities, any notes of the bank payable to bearer on demand, and intended for circulation, or authorizes or is concerned in any such issue or re-issue; and,

(b) if, after any such suspension, the bank resumes business without the consent in writing of the curator, hereinbefore provided for, every person who being president, vice-president, director, general manager, manager, clerk or other officer of the bank issues or re-issues, or authorizes or is concerned in the issue or re-issue of any such notes before being thereunto authorized by the Treasury Board; and,

Or without authority of Treasury Board.

(c) every person who accepts, receives or takes, or authorizes or is concerned in, the acceptance, receipt or taking of any such notes, knowing the same to have been so issued or re-issued, from the bank, or from such president, vice-president, director, general manager, manager, clerk or other officer of the bank, in payment or part payment, or as security for the payment of any amount due or owing to such person by the bank;

And accepting such notes.

is guilty of an indictable offence, and liable to imprisonment for a term not exceeding seven years, or to a fine not exceeding two thousand dollars, or to both. 63-64 V., c. 26, s. 10.

Penalty.

139. (a) Every person who, being the president, vice-president, director, general manager, manager, clerk or other officer of the bank, pledges, assigns, or hypothecates, or authorizes, or is concerned in the pledge, assignment or hypothecation of the notes of the bank; and,

Pledging of notes by officers of bank.

(b) every person who accepts, receives or takes, or authorizes or is concerned in the acceptance or receipt or taking of such notes as a pledge, assignment or hypothecation;

Accepting.

shall be liable to a fine of not less than four hundred dollars and not more than two thousand dollars, or to imprisonment for not more than two years, or to both. 53 V., c. 31, s. 52.

Penalty.

140. (a) Every person who, being the president, vice-president, director, general manager, manager, clerk or other officer of a bank, with intent to defraud, issues or delivers, or authorizes or is concerned in the issue or delivery of notes of the bank intended for circulation and not then in circulation; and,

Issuing notes fraudulently.

(b) every person who, with knowledge of such intent, accepts, receives or takes, or authorizes or is concerned in the acceptance, receipt or taking of such notes;

Knowingly accepting.

shall be guilty of an indictable offence, and liable to imprisonment for a term not exceeding seven years, or to a fine not exceeding

Penalty.

exceeding two thousand dollars, or to both. 53 V., c. 31, s. 52.

Annual Statement and Auditors' Report.

Issue of annual statement without auditors' report.

140A. If any copy of the statement or of the profit and loss account submitted under section 54 of this Act, which has not been signed as required by that section, is issued, circulated or published, or if any copy of such statement is issued, circulated or published without having a copy of the auditors' report attached thereto, the bank, and every director, general manager or other officer of the bank who is knowingly a party to the default, shall be liable to a fine not exceeding two hundred and fifty dollars.

Penalty.

Warehouse Receipts, Bills of Lading and other Securities.

Bank acquiring warehouse receipt or bill of lading

141. If any bank, to secure the payment of any bill, note, debt or liability, acquires or holds—

- (a) any warehouse receipt or bill of lading; or,
- (b) any instrument such as is by this Act authorized to be taken by the bank to secure money lent,—
 - (i) to any wholesale purchaser, or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, or to any wholesale purchaser or shipper of or dealer in live or dead stock, and the products thereof, upon the security of such products, or of such live or dead stock, or the products thereof;
 - (ii) to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise upon the security of the goods, wares and merchandise manufactured by such person, or procured for such manufacture; or,
 - (iii) to any farmer upon the security of threshed grain;

Except in certain cases,

such bank shall, unless—

- (a) such bill, note, debt or liability is negotiated or contracted at the time of the acquisition by the bank of such warehouse receipt, bill of lading or security; or,
- (b) such bill, note, debt or liability is negotiated or contracted upon the written promise or agreement that such warehouse receipt, bill of lading or security would be given to the bank; or,
- (c) the acquisition or holding by the bank of such warehouse receipt, bill of lading or security is otherwise authorized by this Act;

Penalty.

incur a penalty not exceeding five hundred dollars. 53 V., c. 31, s. 79.

142. If any debt or liability to the bank is secured by—

- (a) any warehouse receipt or bill of lading; or,
 (b) any other security such as is mentioned in the last preceding section;

and is not paid at maturity, such bank shall, if it sells the products or stock, goods, wares and merchandise or grain 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 to which the exercise of such power of sale is, by this Act, made subject, incur a penalty not exceeding five hundred dollars. 53 V., c. 31, s. 79; 63-64 V., c. 26, s. 18.

Non-compliance with requirements for sale.

Penalty.

143. Every person is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years who wilfully makes any false statement—

- (a) in any warehouse receipt or bill of lading given under the authority of this Act to any bank; or,
 (b) in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, or of any wholesale purchaser, or shipper of or dealer in live or dead stock or the products thereof, whereby any such products or stock is assigned or transferred to the bank as security for the payment of such loan; or,
 (c) in any instrument given to any bank under the authority of this Act, as security for any loan of money made by the bank to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise, whereby any of the goods, wares and merchandise manufactured by him, or procured for such manufacture, are transferred or assigned to the bank as security for the payment of such loan; or,
 (d) in any instrument given to any bank under the authority of this Act as security for any loan of money made by the bank to a farmer whereby any grain is transferred or assigned to the bank as security for the payment of such loan. 53 V., c. 31, s. 75. Am.

Making false statements—

In warehouse receipt or bill of lading.

In security upon products.

In security upon manufactures.

In security upon grain.

144. Every person who, having possession or control of any products or stock, goods, wares and merchandise, or grain covered by any warehouse receipt or bill of lading or by any such security as in the last preceding section mentioned, and having knowledge of such receipt, bill of lading or security, without the consent of the bank in writing, and before the advance, bill, note, debt or liability thereby secured has been fully paid,—

Wilfully disposing of, or withholding goods covered by security.

- (a) wilfully alienates or parts with any such products or stock, goods, wares or merchandise, or grain; or,
 (b) wilfully withholds from the bank possession of any such products or stock, goods, wares and merchandise, or grain, upon demand, after default in payment of such advance, bill, note, debt or liability.
- Penalty. is guilty of an indictable offence, and liable to imprisonment for a term not exceeding two years. 53 V., c. 31, s. 75; 63-64 V., c. 26, s. 18. Am.

Bank not selling shares subject to privileged lien.

Or selling without notice.

Penalty.

- 145.** (a) If any bank having, by virtue of the provisions of this Act, a privileged lien for any debt or liability for any debt to the bank, on the shares of its own capital stock of the debtor or person liable, neglects to sell such shares within twelve months after such debt or liability has accrued and become payable; or,
 (b) If any such bank sells any such shares without giving notice to the holder thereof of the intention of the bank to sell the same, by mailing such notice in the post office, post paid, to the last known address of such holder, at least thirty days prior to such sale;
- such bank shall incur, for each such offence, a penalty not exceeding five hundred dollars. 53 V., c. 31, s. 79.

Prohibited Business.

Bank doing prohibited business.

Penalty.

146. If any bank, except as authorized by this Act, either directly or indirectly—

- (a) deals in the buying or selling or bartering of goods, wares and merchandise, or engages or is engaged in any trade or business whatsoever; or,
 (b) purchases, deals in, or lends money or makes advances upon the security or pledge of any share of its own capital stock, or of the capital stock of any bank; or,
 (c) lends money or makes advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property, or of any ships or other vessels, or upon the security of any goods, wares and merchandise;
- such bank shall incur a penalty not exceeding five hundred dollars. 53 V., c. 31, s. 79.

Hypothecation of notes prohibited.

146A. It shall be an offence against this Act for any director, officer, clerk or servant of the bank to pledge, assign or hypothecate the notes of the bank on behalf of the bank.

Payment of liabilities of bank after suspension.

146B. If a bank suspends payment in specie or Dominion notes of any of its liabilities as they accrue, then, so long as such suspension continues, it shall be an offence against this

this Act for any director, officer, clerk or servant of the bank who has knowledge of such suspension to pay or cause to be paid to any person any debt or liability of the bank unless with the consent of a curator or liquidator duly appointed.

Returns.

147. Every bank which neglects to make up and send to the Minister, within the first twenty days of any month, any monthly return by this Act required to be made up and sent in within the said twenty days, exhibiting the condition of the bank on the last juridical day of the month last preceding, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day, after the expiration of such time, during which the bank neglects to make and send in such return. 53 V. c. 31, s. 85. Am.

Bank not making monthly.

Penalty.

147A. Every bank which neglects to make and send to the Minister, within the first thirty days after the last day of the month in which any amount of its notes in excess of the amount of the unimpaired paid-up capital of the bank has been issued or is outstanding, a return showing the amount of its notes in circulation for each juridical day during such month, and signed in the manner and by the persons by this Act required, shall incur a penalty of fifty dollars for each and every day, after the expiration of such time, during which the bank neglects to make and send in such return. 7-8 E. V. c. 7, s. 2.

Neglecting return of additional issue of notes.

Penalty.

147B. Every bank which neglects to make and send to the Minister during the month of January in each year a return showing in detail the fair market value of its real and immovable property held under section 79 of this Act shall incur a penalty of fifty dollars for each and every day, after the expiration of such time, during which the bank neglects to make and send in such return.

Neglecting return of value of property.

Penalty.

147c. Every bank which neglects to make and send to the Minister a quarterly return as of the last juridical day of the months of March, June, September and December in each year, giving such particulars as may be prescribed by regulations made by the Treasury Board of the interest and discount rates charged by the bank, such returns to be made up and sent in within the first thirty days after the respective juridical days aforesaid, and signed by the persons

Neglecting quarterly return.

Penalty.

persons by this Act required, shall incur a penalty of fifty dollars for each and every day, after the expiration of such time, during which the bank neglects to make and send in such return.

Not making
returns
required by
Minister.

148. Every bank which neglects to make and send to the Minister, within thirty days from the date of the demand therefor by the Minister, or, if such time is extended by the Minister, within such extended time, not exceeding thirty days, as the Minister may allow, any special return, signed in the manner and by the persons by this Act required, which under the provisions of this Act, the Minister may, for the purpose of affording a full and complete knowledge of the condition of the bank, call for, shall incur a penalty of five hundred dollars for each and every day during which such neglect continues. 53 V., c. 31, s. 86.

Penalty.

Bank not
making
annual
returns of
drafts and
bills.

149. Every bank which neglects to transmit or deliver to the Minister, within twenty days after the close of any calendar year, a return, signed in the manner and by the persons and setting forth the particulars by this Act required in that behalf, of all certified cheques, drafts or bills of exchange issued by the bank to any person and remaining unpaid for more than five years prior to the date of such return, shall incur a penalty of fifty dollars for each and every day during which such neglect continues. 63-64 V., c. 26, s. 21.

Penalty.

Not returning
annual list.

150. Every bank which neglects to transmit or deliver to the Minister, within twenty days after the close of any calendar year, a certified list, as by this Act required, showing—

(a) the names of the shareholders of the bank on the last day of such calendar year, with their last known post office addresses and descriptions;

(b) the number of shares then held by such shareholders respectively; and,

(c) the amount paid thereon,

Penalty.

shall incur a penalty of fifty dollars for each and every day during which such neglect continues. 53 V., c. 31, s. 87. Am.

Not making
annual
returns of
dividends,
balances,
drafts and
bills.

151. Every bank which neglects to transmit or deliver to the Minister, within twenty days after the close of any calendar year, a return, signed in the manner and by the persons by this Act required, of all dividends which have remained unpaid for more than five years, and also of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid,
during

during the five years prior to the date of such return, and also of all certified cheques, drafts or bills of exchange issued by the bank and remaining unpaid for more than five years prior to the date of such return, as required by the provisions of this Act in the several cases respectively mentioned, shall incur a penalty of fifty dollars for each and every day during which such neglect continues. Penalty.

2. The said term of five years shall, in case of moneys deposited for a fixed period, be reckoned from the date of the termination of such fixed period. 53 V., c. 31, s. 88. Period of 5 years.

152. If any return or list, mentioned in either of the last eight preceding sections, is transmitted by post, the date appearing, by the post office stamp or mark upon the envelope or wrapper inclosing the return or list received by the Minister, as the date of deposit in the post office of the place at which the chief office of the bank was situated shall be taken *prima facie*, for the purpose of any of the said sections, to be the day upon which such return or list was transmitted to the Minister. 53 V., c. 31, ss. 85 and 86; 63-64 V., c. 26, s. 22. Am. Date of posting return or list.

153. (a) The making of any wilfully false or deceptive statement in any account, statement, return, report or other document respecting the affairs of the bank, or (b) the using of any false or deceptive statement in any account, statement, return, report or other document respecting the affairs of the bank with intent to deceive or mislead any person, Making false statement in account or return. Using false statement.

is an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding five years. Penalty.

2. Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who negligently prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank containing any false or deceptive statement shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding three years. 53 V., c. 31, s. 99. Am. Liability of officers.

Calls in the case of Suspension of Payment.

154. (a) If any suspension of payment in full, in specie or Dominion notes, of all or any of the notes or other liabilities of the bank continues for three months after the expiration of the time which, under the provisions of this Act, would constitute the bank insolvent; and, Director refusing to make calls on suspension of bank.

- (b) if no proceedings are taken under any Act for the winding-up of the bank; and,
 (c) if any director of the bank refuses to make or enforce, or to concur in the making or enforcing of any call on the shareholders of the bank, to any amount which the directors deem necessary to pay all the debts and liabilities of the bank;
- Penalty. such director shall be guilty of an indictable offence, and liable—
 (a) to imprisonment for any term not exceeding two years; and,
 (b) personally for any damages suffered by any such default. 53 V., c. 31, s. 92.

Undue Preference to the Bank's Creditors.

- Officers giving undue preference to any creditor. **155.** Every person who, being the president, vice-president, director, general manager, manager, or other officer of the bank, wilfully gives or concurs in giving to any creditor of the bank any fraudulent, undue or unfair preference over other creditors, by giving security to such creditor, or by changing the nature of his claim, or otherwise howsoever, is guilty of an indictable offence, and liable—
- Penalty. (a) to imprisonment for a term not exceeding two years; and,
 Damages. (b) for all damages sustained by any person in consequence of such preference. 53 V., c. 31, s. 97. Am.

Use of the Title "Bank," etc.

- Unauthorised use of title "bank," etc. **156.** Every person using the word "bank," or the words "savings bank," "banking company," "banking house," "banking association," or "banking institution," or any word or words of import equivalent thereto in any foreign language, in a sign or in an advertisement, or in a title to represent or describe his business or any part of his business without being authorised so to do by this Act, or by some other Act in force in that behalf, is guilty of an offence against this Act.
- Offence. 2. Every person who uses in a sign or in an advertisement or in a title to represent or describe his business words in a foreign language of import equivalent to the word "banker," or equivalent to the words "private banker," without being authorized so to do by this Act or by some other Act in force in that behalf, is guilty of an offence against this Act. 53 V., c. 31, s. 100. Am.

Penalty for Offence against this Act.

157. Every person committing an offence, declared to be an offence against this Act, shall be liable to a fine not exceeding one thousand dollars, or to imprisonment for a term not exceeding five years, or to both, in the discretion of the court before which the conviction is had. 53 V., c. 31, s. 101.

Offence
against this
Act.

Penalty.

PROCEDURE.

158. The amount of all penalties imposed upon a bank or person for any violation of this Act shall, unless otherwise provided by this Act, be recoverable and enforceable, with costs, at the suit of His Majesty instituted by the Attorney General of Canada, or by the Minister.

Penalties
enforceable
at suit of
Attorney
General or
Minister.

2. Such penalties shall, unless otherwise provided by this Act, belong to the Crown for the public uses of Canada: Provided that the Governor in Council, on the report of the Treasury Board, may direct that any portion of any penalty be remitted, or paid to any person, or applied in any manner deemed best adapted to attain the objects of this Act, and to secure the due administration thereof. 53 V., c. 31, s. 98. Am.

Appropriation.

Proviso.

REPEAL.

159. Chapter 29 of the Revised Statutes, 1906, and chapter 5 of the statutes of 1912, are repealed.

R. S., c. 29:
1912, c. 5.
repealed

COMMENCEMENT OF ACT.

160. This Act shall come into force on the first day of July, one thousand nine hundred and thirteen.

Commence-
ment of Act.

SCHEDULE A.

<i>Name of Bank.</i>	<i>Chief Office of Bank.</i>
1. The Bank of Montreal.....	Montreal.
2. The Quebec Bank.....	Quebec.
3. The Bank of Nova Scotia.....	Halifax.
4. The Bank of Toronto.....	Toronto.
5. The Molsons Bank.....	Montreal.
6. La Banque Nationale.....	Quebec.
7. The Merchants Bank of Canada.....	Montreal.
8. La Banque Provinciale du Canada.....	Montreal.
9. The Union Bank of Canada.....	Winnipeg.
10. The Canadian Bank of Commerce.....	Toronto.
11. The Royal Bank of Canada.....	Montreal.
12. The Dominion Bank.....	Toronto.
13. The Bank of Hamilton.....	Hamilton.
14. The Standard Bank of Canada.....	Toronto.
15. La Banque d'Hochelaga.....	Montreal.
16. The Bank of Ottawa.....	Ottawa.
17. The Imperial Bank of Canada.....	Toronto.
18. The Sovereign Bank.....	Toronto.
19. The Metropolitan Bank.....	Toronto.
20. The Home Bank of Canada.....	Toronto.
21. The Northern Crown Bank.....	Winnipeg.
22. The Sterling Bank of Canada.....	Toronto.
23. The Bank of Vancouver.....	Vancouver.
24. The Weyburn Security Bank.....	Weyburn.

SCHEDULE B.

An Act to incorporate the ——— Bank.

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

1. [Insert names of those applying for incorporation; the full name, address and description of each director must be given], together with such persons as become shareholders in the corporation by this Act created, are incorporated under the name of [insert name of bank] hereinafter called "the Bank."

2. The persons named in section 1 of this Act shall be the provisional directors of the Bank.

3. The capital stock of the Bank shall be _____ dollars.
4. The chief office of the Bank shall be at _____.
5. This Act shall, subject to the provisions of section 16 of The Bank Act, remain in force until the first day of July in the year one thousand nine hundred and twenty-three.

53 V., c. 31, Sch. B.; 63-64 V., c. 26, s. 45. Am.

SCHEDULE C.

In consideration of an advance of _____ dollars made by the _____ Bank to A. B., for which the said Bank holds the following bills or notes: (*describe the bills or notes, if any*), [*or, in consideration of the discounting of the following bills or notes by the _____ Bank for A. B.; (describe the bills or notes),*] the products of agriculture, the forest, quarry and mine, [*or, the sea, lakes and rivers, or, the live stock or dead stock, or, the products thereof, or the goods, wares and merchandise, or, the grain, (as the case may be),*] mentioned below are hereby assigned to the said Bank as security for the payment on or before the _____ day of _____ of the said advance, together with interest thereon at the rate of _____ per cent per annum from the _____ day of _____ [*or, of the said bills or notes, or renewals thereof, or substitutions therefor, and interest thereon, or as the case may be.*]

This security is given under the provisions of section eighty-eight of The Bank Act, and is subject to the provisions of the said Act.

The said products of agriculture, the forest, quarry and mine, [*or, the sea, lakes and rivers, or, the live stock or dead stock, or the products thereof, or, the goods, wares and merchandise, or, the grain, (as the case may be),*] are now owned by _____, and are now in the possession of _____, and are free from any mortgage, lien or charge thereon (*or as the case may be*), and are in (*place or places where the goods are*), and are the following (*description of property assigned*).

Dated, etc.

(*N.B.—The bills or notes and the property assigned may be set out in schedules annexed.*)

63-64 V., c. 26, s. 46 and Sch. C.

SCHEDULE D.

Return of the liabilities and assets of the _____ Bank
on the _____ day of _____, 19—

Capital authorized.....\$
Capital subscribed.....
Capital paid up.....
Amount of rest or reserve fund.....
Rate per cent of last dividend declared.....—per cent.

Liabilities.

1. Notes in circulation.....\$
2. Balance due to Dominion Government after deducting advances for credits, pay-lists, etc.....
3. Balances due to provincial governments....
4. Deposits by the public, payable on demand in Canada.....
5. Deposits by the public, payable after notice or on a fixed day, in Canada.....
6. Deposits elsewhere than in Canada.....
7. Loans from other banks in Canada, secured, including bills re-discounted.....
8. Deposits made by and balances due to other banks in Canada.....
9. Due to banks and banking correspondents in the United Kingdom.....
10. Due to banks and banking correspondents elsewhere than in Canada and the United Kingdom.....
11. Bills payable.....
12. Acceptances under letters of credit.....
13. Liabilities not included under foregoing heads.....

\$

Assets.

1. Current gold and sub-

In Canada	\$	}	\$
Elsewhere	\$		
2. Dominion notes.....

In Canada	\$	}	\$
Elsewhere	\$		
3. Deposit with the Minister of Finance for the security of note circulation....
4. Deposit in the central gold reserves.....
5. Notes of other banks.....
6. Cheques on other banks.....

7. Loans to other banks in Canada, secured, including bills re-discounted.....
8. Deposits made with and balances due from other banks in Canada.....
9. Due from banks and banking correspondents in the United Kingdom.....
10. Due from banks and banking correspondents, elsewhere than in Canada and the United Kingdom.....
11. Dominion government and provincial government securities.....
12. Canadian municipal securities, and British, foreign and colonial public securities other than Canadian.....
13. Railway and other bonds, debentures and stocks.....
14. Call and short (not exceeding thirty days) loans in Canada on stocks, debentures and bonds.....
15. Call and short (not exceeding thirty days) loans elsewhere than in Canada.....
16. Other current loans and discounts in Canada.....
17. Other current loans and discounts elsewhere than in Canada.....
18. Loans to the Government of Canada.....
19. Loans to provincial governments.....
20. Loans to cities, towns, municipalities and school districts.....
21. Over due debts.....
22. Real estate other than bank premises.....
23. Mortgages on real estate sold by the bank..
24. Bank premises, at not more than cost, less amounts (if any) written off.....
25. Liabilities of customers under letters of credit as per contra.....
26. Other assets not included under the foregoing heads.....

 §

Aggregate amount of loans to directors, and firms of which they are partners, \$———

Average amount of current gold and subsidiary coin held during the month, \$———

Average amount of Dominion notes held during the month, \$———

Greatest amount of notes in circulation at any time during the month, \$———

Branch and agency returns included in the foregoing and antedating the last juridical day of the month aforesaid are as follows:—

<i>Branch or Agency.</i>	<i>Date of such return.</i>
--------------------------	-----------------------------

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E. F.,
Chief Accountant, (*or Acting Chief
Accountant, as the case may be*).

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct, and shows truly and clearly the financial position of the bank; and we further declare that the bank has never, at any time during the period to which the said return relates, held in Dominion notes less than forty per cent of the cash reserves which it has in Canada.

(Place) ————— this — day of —————, 19—.

A.B.,
President, (*Vice-President, or Director
acting as President, as the case may
be*).

C.D.,
General Manager, (*or other principal
officer, as the case may be*).

63-64 V., c. 26, s. 47 and Sch. D. Am.

SCHEDULE E.

Return of the _____ Bank _____ showing
the amount of its notes in circulation for each juridical day
during the month of _____, 19—.

Day of the Month.	Paid-up Capital.	*Reserve Fund.	Deposit Gold Coin and Dominion Notes.	Circulation.	Excess (if any).

* N.B.—Returns for the months of March to August, inclusive, need not have the Reserve Fund column.

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E.F.,
Chief Accountant, (or Acting Chief
Accountant, as the case may be).

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

(Place) _____ this _____ day of _____, 19—.

A.B.,
President, (Vice-President, or Director
acting as President, as the case may
be).

C.D.,
General Manager, (or other principal
officer, as the case may be).

SCHEDULE F

Return of unpaid dividends, balances and amounts, certified cheques, drafts and bills of exchange of the _____ Bank at the close of the calendar year 19—, made in accordance with the provisions of subsections 1 to 5, inclusive, of section 114 of The Bank Act.

.....

.....

.....

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E.F.,
Chief Accountant, (or Acting Chief
Accountant, *as the case may be.*)

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

(Place) _____ this _____ day of _____, 19_____.

A.B.,
President, (Vice-President, or Director
acting as President, *as the case may
be.*)

C.D.,
General Manager, (or other principal
officer, *as the case may be.*)

Dominion of Canada Statutes.

CHAPTER 93, 1900.

An Act to Incorporate the Canadian Bankers' Association.

WHEREAS the voluntary association now existing under the name of the Canadian Bankers' Association has, by its petition, prayed that it may be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. There is hereby created and constituted a corporation under the name of "The Canadian Bankers' Association", hereinafter called "the Association."

2. The Association shall consist of members and associates;

(a) The members, hereinafter referred to as members, shall be the banks named in the schedule to this Act, and such new banks hereafter incorporated by or under the authority of the Parliament of Canada as become entitled to carry on the business of banking in Canada, and to which *The Bank Act* in force at the time of its incorporation applies. Any bank to which *The Bank Act* applies, carrying on business in Canada, and not named in the schedule to this Act, shall on its own application at any time be admitted as a member of the Association by resolution of the Executive Council hereinafter named;

(b) The associates, hereinafter referred to as associates, shall be the bank officers who are associates of the voluntary association mentioned in the preamble at the time this Act is passed, and such other officers of the banks which are members of the Association as may be elected at a meeting of the executive council hereinafter named or at an annual meeting of the Association. An associate may at any time by written notice to the president of the Association withdraw from the Association.

3. Upon the suspension of payment of a bank being a member of the Association, such bank shall cease to be a member. Provided, however, that if and when such bank resumes the carrying on of its business in Canada it may again become a member of the Association.

4. Upon an associate ceasing to be an officer of a bank carrying on business in Canada, he shall, at the end of the then current calendar year, cease to be an associate.

5. The objects and powers of the Association shall be, to promote generally the interests and efficiency of banks and bank officers and the education and training of those contemplating employment in banks, and for such purposes, among



other means, to arrange for lectures, discussions, competitive papers and examinations on commercial law and banking, and to acquire, publish and carry on the "Journal of The Canadian Bankers' Association."

6. The Association may from time to time establish in any place in Canada a subsection of the Association under such constitution and with such powers (not exceeding the powers of the Association) as may be thought best.

7. The Association may from time to time establish in any place in Canada a clearing house for banks, and make rules and regulations for the operations of such clearing house: Provided always, that no bank shall be or become a member of such clearing house except with its own consent, and a bank may after becoming such member at any time withdraw therefrom.

2. All banks, whether members of the Association or not, shall have an equal voice in making from time to time the rules and regulations for the clearing house; but no such rule or regulation shall have any force or effect until approved by the Treasury Board.

8. Members of the Association shall vote and act in all matters relating to the Association through their chief executive officers. For the purposes of this Act the chief executive officer of a member shall be its general manager or cashier, or in his absence the officer designated for the purpose by him, or in default of such designation the officer next in authority. Where the president or vice-president of a member performs the duties of a general manager or cashier he shall be the chief executive officer, and in his absence the officer designated for the purpose by him, and in default of such designation the officer next in authority to him. At all meetings of the Association each member shall have one vote upon each matter submitted for vote. The chairman shall, in addition to any vote he may have as chief executive officer or proxy, have a casting vote in case of a tie. Associates shall have only such powers of voting and otherwise taking part at meetings as may be provided by by-law.

9. There shall be a president and one or more vice-presidents and an executive council of the Association, of which council five shall form a quorum unless the by-laws otherwise provide.

10. The persons who are the president, vice-presidents and executive council of the voluntary association mentioned in the preamble at the time this Act is passed shall be the president, vice-president and executive council respectively of the Association until the first general meeting of the Association or until their successors are appointed.

11. The first general meeting of the Association shall be held during the present calendar year at such time and place

and upon such notice as the executive council may decide. Subsequent general meetings shall be held as the by-laws of the Association may provide at least once in each calendar year.

12. At the first general meeting and at each annual meeting thereafter the members of the Association shall elect a president, one or more vice-presidents and an executive council, all of whom shall hold office until the next annual general meeting or until their successors are appointed.

13. The president, vice-presidents and executive council shall be chosen from among the chief executive officers of members of the Association.

14. Unless the by-laws otherwise provide, the executive council shall consist of the president and vice-presidents of the Association and fourteen chief executive officers, and five shall form a quorum for the transaction of business.

15. Each member and associate shall from time to time pay to the Association for the purposes thereof such dues and assessments as shall from time to time be fixed in that behalf by the Association at any annual meeting, or at any special meeting called for the purpose, by a vote of not less than two-thirds of those present or represented by proxy.

16. The objects and powers of the Association shall be carried out and exercised by the executive council, or under by-laws, resolutions, rules and regulations passed by it, but every such by-law, rule and regulation, unless in the meantime confirmed at a general meeting of the Association called for the purpose of considering the same, shall only have force until the next annual meeting, and in default of confirmation thereat shall cease to have force. Provided always, that any by-law, rule or regulation passed by the executive council may be repealed, amended, varied or otherwise dealt with by the Association at any annual general meeting or at a special general meeting called for the purpose.

2. For greater certainty, but not so as to restrict the generality of the foregoing, it is declared that the executive council shall have power to pass by-laws, resolutions, rules and regulations, not contrary to law or to the provisions of this Act, respecting—

- (a) lectures, discussions, competitive papers, examinations;
- (b) the journal of the Association;
- (c) the subsections of the Association;
- (d) clearing houses for banks;
- (e) general meetings, special and annual, of the Association and of the executive council, and the procedure and quorum thereat, including the part to be taken by associates and their powers of voting;
- (f) voting by proxy at meetings of the Association and of the executive council;

(g) the appointment, functions, duties, remuneration and removal of officers, agents and servants of the Association.

3. No by-law, resolution, rule or regulation respecting clearing houses, and no repeal, amendment, or variation of or other dealing with any such by-law, resolution, rule or regulation shall have any force or effect until approved of by the Treasury Board. (See footnote).

17. The provisions of *The Companies Clauses Act*, being chapter 118 of the Revised Statutes, shall not apply to the Association.

SCHEDULE.

BANKS BEING MEMBERS OF THE ASSOCIATION.

The Bank of Montreal.
 The Quebec Bank.
 The Molsons Bank.
 The Bank of Toronto.
 The Ontario Bank
 The Eastern Townships Bank.
 La Banque Nationale.
 La Banque Jacques Cartier.
 The Merchants' Bank of Canada.
 The Union Bank of Canada.
 The Canadian Bank of Commerce.
 The Dominion Bank.
 The Merchants' Bank of Halifax.
 The Bank of Yarmouth, Nova Scotia.
 The Standard Bank of Canada.
 The Bank of Hamilton.
 The Halifax Banking Company.
 La Banque d'Hochelega.
 The Imperial Bank of Canada.
 La Banque de St. Hyacinthe.
 The Bank of Ottawa.
 The Bank of New Brunswick.
 The Exchange Bank of Yarmouth.
 The Union Bank of Halifax.
 The People's Bank of Halifax.
 La Banque de St. Jean.
 The Commercial Bank of Windsor.
 The Western Bank of Canada.
 The Traders' Bank of Canada.
 The People's Bank of New Brunswick.
 The Saint Stephen's Bank.
 The Summerside Bank.
 The Bank of British North America.
 The Bank of British Columbia.

See also Section 124 "The Bank Act."

This schedule now stands as on page 78 of the Bank Act to which please refer.

BY-LAWS

OF THE

Canadian Bankers' Association.

(By-laws Nos. 13, 14, 15 and 16 were approved by the Dominion Treasury Board in May, 1901, in accordance with section 30 of the Bank Act Amendment Act, 1900, and sections 7 and 16 of the Act of 1900, incorporating the Canadian Bankers' Association.)

1. General meetings.—The annual general meetings of the association shall be held on the second Thursday of the month of November in each year, at such hour and place as may be decided upon by the executive council of the association from time to time. Special general meetings of the association may be called at any time by the said executive council and shall be called by the president or secretary-treasurer on the written requisition of at least five members of the association.

The requisition (if any) for, and the notice calling any special general meeting shall specify therein the general nature of the business to be considered or transacted thereat. Special general meetings shall be held at such time, hour and place as shall be mentioned in the notice calling the same. Thirty days' notice shall be given of every general meeting of the association whether annual or special. At any annual or special general meeting of the association seven persons, duly representing members of the association, shall form a quorum.

At any annual general meeting of the association any business may be transacted thereat.

At any special general meeting of the association only such business shall be transacted as is mentioned in the notice calling such special general meeting.

2. Election of officers.—At every annual general meeting, the members of the association, through their representatives or proxies, shall elect from among the chief executive officers (as defined by charter of incorporation) of members of the association, a president, four vice-presidents, and fourteen councillors, all of whom shall hold office until the next annual general meeting, or until their successors are appointed, and may also elect honorary presidents of the association, not exceeding four in number, who shall also hold office until the next annual general meeting after their election.

3. Executive council.—The executive council of the association shall consist of the president and vice-presidents, and the said fourteen councillors aforesaid, and five shall form a quorum for the transaction of business.

The honorary presidents shall also have seats at the executive council, but shall have no vote thereat.

4. Voting at general meetings.—At all meetings of the association each member shall have one vote upon each matter submitted for vote. The chairman shall, in addition to any vote he may have as chief executive officer or proxy, have a casting vote in case of a tie.

Each associate shall also have one vote on all subjects except the following, on which members only shall be permitted to vote:—

1. Election of officers.
2. Action relating to proposed legislation.
3. By-laws.
4. Adding to, or amending the charter.
5. All other subjects on which general action by the banks is contemplated.

5. Meetings of council.—The executive council may meet together for the despatch of business, adjourn and otherwise regulate its meetings, as it by resolution or otherwise may determine from time to time.

The secretary-treasurer shall at any time at the request of the president or any vice-president or any other member of the executive council convene a meeting of the council. Provided, however, that no business shall be transacted at a meeting called at the request of a member unless the notice calling the meeting specifies in some general terms that such business will be transacted thereat, but this provision shall not apply to any meeting called at the request of the president or any vice-president.

On all questions arising at any meeting of the executive council each member shall have one vote in addition to any vote he may have as proxy, and the chairman shall have in addition a casting vote.

6. Chairman.—At all meetings of the association and of the executive council, the president, when present, shall be chairman, and in his absence one of the vice-presidents chosen by the members of the council then present; and in the absence of the president and vice-presidents, the members of the council then present may choose some one of their number to be chairman of such meeting.

7. Voting by proxy.—Any member, not represented at a meeting of the association by one of the officers named in section 8 of the charter of incorporation may vote by

proxy, provided such proxy is held by an associate who is an assistant general manager, or assistant cashier, inspector or manager of any bank, or any branch thereof.

Any member of the executive council, when not present at any meeting thereof, may be represented thereat by proxy, provided such proxy is held by such an associate as is before mentioned in this by-law. Proxies shall be in writing.

8. By-laws.—The executive council may from time to time repeal, amend or add to any of the by-laws of the association, except those relating to dues, to the clearing house, to the curator and his duties, and to the circulation, but every such repeal, amendment or addition shall only have force until the next annual general meeting of the association, and if not confirmed thereat shall thereupon cease to have force.

9. Secretary-treasurer and solicitor.—The said executive council shall have power from time to time to appoint a secretary-treasurer, who shall be an officer or ex-officer of a bank, and to remove him from office, and to fix his remuneration and the terms of his engagement.

The executive council shall also have power from time to time to appoint a solicitor or solicitors and to fix their remuneration for either general or special services, and also to engage counsel where such services may be needed.

10. Sub-sections.—Existing sub-sections of the voluntary association are hereby continued as, and constituted, sub-sections of the association as incorporated. Sub-sections hereby or hereinafter constituted may pass by-laws for their guidance, subject always to the provisions of the charter of incorporation, and the by-laws of the association.

The bankers' section of the Boards of Trade in the cities of Montreal and Toronto respectively, shall be empowered respectively to represent the association in all matters connected with legislation in the Legislatures of Quebec and Ontario, respectively—it being understood that the respective sections will, as fully as possible, keep the president and the executive council of the association advised on all points that may arise in connection with the matters referred to, and will not make representations in the name of the association contrary to the views of the executive council after such views have been expressed.

11. Journal, lectures, etc.—An editing committee appointed by the association shall supervise the publication of the "Journal of the Canadian Bankers' Association," and the executive council shall appoint such other officers

as it may deem necessary; and shall also make such provisions and arrangements from time to time as it deems proper, for lectures, discussions, competitive papers, and examinations.

12. Annual dues.—The dues or subscriptions payable to the association by the members thereof shall be \$100 for each \$1,000,000 of paid-up capital or fraction thereof, as appearing in return for the month of September in each year.

The dues or subscriptions payable to the association by the associates thereof shall be one dollar annually. Members' and associates' subscriptions shall be payable on or before the 1st February and 1st July respectively in each year.

CIRCULATION.

13. (a) Monthly return.—A monthly return shall be made to the president of the Canadian Bankers' Association by all banks doing business in Canada, whether members of the Canadian Bankers' Association or not, in the form hereinafter set forth; said return shall be made up and sent in within the first fifteen days of each month, and shall exhibit the condition of the bank's note circulation on the last juridical day of the month next preceding; and every such monthly return shall be signed by the chief accountant or acting chief accountant and by the president or vice-president, or by any director of the bank, and by the general manager, cashier, or other chief executive officer of the bank at its chief place of business. Every such monthly return which shows that notes have been destroyed during such month, shall be accompanied by a certificate or certificates in the form hereinafter set forth, covering all the notes mentioned as destroyed in such return, signed by at least three of the directors of the bank, and by the chief executive officer or some officer of the bank acting for him, stating that the notes mentioned in such certificate or certificates have been destroyed in the presence of and under the supervision of the persons respectively signing such certificate or certificates respectively.

FORM OF MONTHLY RETURN OF CIRCULATION ABOVE MENTIONED.

Circulation Statement of the (Here state name of bank)

Table with financial entries: for the month of 191..., Credit Balance of Bank Note Accounts on last day of preceding month, Add notes received from printers during month, Less notes destroyed during month, Balance of Bank Note Accounts on last day of month, Less notes on hand, Notes in circulation on last day of month.

Chief Accountant.

We declare that the foregoing return, to the best of our knowledge and belief, is correct, and shows truly and clearly the state and position of the Note Circulation of said Bank during and on the last day of the period covered by such return.

President.

General Manager.

FORM OF CERTIFICATE OF DESTRUCTION OF NOTES ABOVE MENTIONED.

Certificate of Destruction of Notes of the (here mention name of bank) accompanying monthly Circulation Statement for month of A.D., 190...

We, the undersigned, hereby certify that we have examined bank notes of this Bank amounting to \$... consisting of the following, viz.: (here set out the denominations) and have burned and destroyed the same, and that the said notes so burned and destroyed by us are not included in any other Certificate of Destruction of Notes signed by us or any of us, or to the best of our knowledge and belief, by any other person to accompany the present or any monthly circulation statement made or to be made to the President of The Canadian Bankers' Association.

Directors of said Bank.

General Manager.

(b) **Bank of British North America.**—For all purposes of this by-law, the chief place of business of the Bank of British North America shall be the chief office of the said bank at the city of Montreal, in the Province of Quebec.

And in the case of the said Bank of British North America the said monthly circulation return shall be signed by the general manager's clerk, or acting general manager's clerk, and by the general manager or the acting general manager of the said bank; and the said certificate of destruction of notes shall be signed by the general manager or acting general manager, the inspector or assistant inspector, and the local manager of the Montreal branch, or the acting local manager of the Montreal branch of the said bank, instead of by the persons respectively hereinbefore directed to sign the said returns respectively.

(c) **Penalty for neglect.**—Every bank which neglects to make up and send in as aforesaid any monthly return required by this by-law within the time by this by-law limited, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which the bank neglects so to make up and send in such return.

(d) **Inspection.**—The executive council of the association shall have power, by resolution, at any time, to direct that an inspection shall be made of the circulation accounts of any bank by an officer or officers to be named in such resolution, and such inspection shall be made accordingly.

(e) **Inspection and report.**—Some person or persons appointed from time to time by the executive council of the association shall during the year 1901 and during every year thereafter make inspection of the circulation accounts of every bank doing business in Canada, whether members of the association or not, and shall report thereon to the council; and upon every such inspection all and every the officers of the bank whose circulation account shall be so inspected shall give and afford to the officer or officers making such inspection, all such information and assistance as he or they may require to enable him or them fully to inspect said circulation account, and to report to the council upon the same, and upon the means adopted for the destruction of the notes.

(f) **Collection of penalties.**—The amount of all penalties imposed upon a bank for any violation of this by-law shall be recoverable and enforceable with costs, at the suit of the Canadian Bankers' Association, and such penalties shall belong to the Canadian Bankers' Association for the uses of the association.

(g) **Statement of circulation.**—The president of the Canadian Bankers' Association shall each month have printed and forwarded to the chief executive officer of every bank of Canada subject to the Bank Act, whether a member of the association or not, a statement of the circulation returns of all the banks in Canada for the last preceding month, as received by him.

(h) **Association defined.**—In this by-law it is declared for greater certainty that the Canadian Bankers' Association herein mentioned and referred to is the association incorporated by special Act of Parliament of Canada, 63 and 64 Vict. chap. 93.

CURATOR.

14. Appointment, powers, etc.—Whenever any bank suspends payment, a curator, as mentioned in section 24 of the Bank Act Amendment Act, 1900, shall be appointed to supervise the affairs of such bank. Such appointment shall be made in writing by the president of the association or by the person who, during a vacancy in the office of, or in the absence of, the president, may be acting as president of the association.

If a curator so appointed dies, or resigns, another curator may be appointed in his stead in the manner aforesaid.

The executive council may, by resolution, at any time remove a curator from office and appoint another curator in his stead.

A curator so appointed shall have all the powers and subject to the provisions of By-law No. 15, shall perform all the duties imposed upon the curator by the said Bank Act Amendment Act; he shall also furnish all such returns and reports, and give all such information touching the affairs of the suspended bank as the president of the association or the executive council may require of him from time to time.

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 from time to time by the executive council.

15. Advisory board.—Whenever a bank suspends payment and a curator is accordingly appointed, the president shall also appoint a local advisory board consisting of three members, selected generally as far as possible from among the general managers, assistant-general managers, cashiers, inspectors or chief accountants or branch managers of any bank at the place where the head office of such suspended bank is situated, and the curator shall advise from time to time with such advisory board, and it shall

be his duty, before taking any important step in connection with his duties as curator, to obtain the approval of such advisory board thereto. With the sanction of such advisory board, he may employ such assistants as he may require for the full performance of his duties as curator.

CLEARING HOUSES.

16. Rules and regulations.—The rules and regulations contained in this by-law are made in pursuance of the powers contained in the Act to Incorporate the Canadian Bankers' Association, 63 & 64 Vict. chap. 93 (1900), and shall be adopted by, and shall be the rules and regulations governing all clearing houses now existing and established, or that may be hereafter established.

RULES AND REGULATIONS RESPECTING CLEARING HOUSES.

Made in Pursuance of the Powers contained in the Act to Incorporate the Canadian Bankers' Association.

1. Formation.—The chartered banks doing business in any city or town, or such of them as may desire to do so, may form themselves into a Clearing House. Chartered banks thereafter establishing offices in such city or town may be admitted to the Clearing House by a vote of the members.

2. Objects.—The Clearing House is established for the purpose of facilitating daily exchanges and settlements between banks. It shall not either directly or indirectly be used as a means of obtaining payment of any item, charge or claim disputed, or objected to. It is expressly agreed that any bank receiving exchanges through the Clearing House shall have the same rights to return any item, and to refuse to credit any sum which it would have had were the exchanges made directly between the banks concerned, instead of through the Clearing House; and nothing in these or any future rules, and nothing done, or omitted to be done thereunder, and no failure to comply therewith shall deprive a bank of any rights it might have possessed had such rules not been made, to return any item or refuse to credit any sum; and payment through the Clearing House of any item, charge or claim shall not deprive a bank of any right to recover back the amount so paid.

3. Meetings.—The Annual Meeting of the members shall be held on such day in each year, and at such time and place as the members may fix by by-law. Special meetings may be called by the Chairman or Vice-Chairman whenever it may be deemed necessary, and the Chairman shall call a special meeting whenever requested to do so in writing by three or more members.

4. Voting.—At any meeting each member may be represented by one or more of its officers, but each bank shall have one vote only.

5. Board of Management.—At every Annual Meeting there shall be elected by ballot a Board of Management who shall hold office until the next Annual Meeting, and thereafter until their successors are appointed. They shall have the general oversight and management of the Clearing House. They shall also deal

with the expenses of the Clearing House, and the assessments made therefor. In the absence of any member of the Board of Management he may be represented by another officer of the bank of which he is an officer.

6. Officers.—The Board of Management shall at their first meeting after their appointment, elect out of their own number a Chairman, a Vice-Chairman, and a Secretary-Treasurer, who shall perform the duties customarily appertaining to these offices.

The officers so selected shall be respectively the Chairman, Vice-Chairman, and Secretary-Treasurer of the Clearing House.

Should the bank of which the Chairman is an officer be interested in any matter, his powers and duties shall, with respect to such matter, be exercised by the Vice-Chairman, who shall also exercise the Chairman's duties and powers in his absence.

7. Meetings.—Meetings of the Board of Management may be held at such times as the members of the Board may determine. A special meeting shall be called by the Secretary-Treasurer on the written requisition of any member of the Clearing House for the consideration of any matter submitted by it, of which meeting 24 hours notice shall be given, but if such meeting is for action under Rules 15 or 16, it shall be called immediately.

8. Expenses.—The expenses of the Clearing House shall be met by an equal assessment upon the members, to be made by the Board of Management.

9. Withdrawal.—Any bank may withdraw from the Clearing House by giving notice in writing to the Chairman or Secretary-Treasurer between the hours of 1 and 3 o'clock p.m., and paying its due proportion of expenses and obligations then due. Said retirement to take effect from the close of business of the day on which such notice is given. The other banks shall be promptly notified of such withdrawal.

10. Clearing Bank.—The Board of Management shall arrange with a bank to act as clearing bank for the receipt and disbursement of balances due by and to the various banks, but such bank shall be responsible only for the moneys and funds actually received from the debtor banks, and for the distribution of the same amongst the creditor banks, on the presentation of the Clearing House certificates properly discharged. The clearing bank shall give receipts for balances received from the debtor banks. The Board of Management shall also arrange for an officer to act as Manager of the Clearing House from time to time, but not necessarily the same officer each day.

11. Payment of Balances.—The hours for making the exchanges at the Clearing House, for payment of the debit balances to the clearing bank, and for payment out of the balances due the creditor banks, shall be fixed by by-law under clause 17. On completion of the exchanges, the balances due to or by each bank shall be settled and declared by the Clearing House Manager, and if the clearing statements are readjusted under the provisions of these rules, the balances must then be similarly declared settled, and the balances due by debtor banks must be paid into the clearing bank, at or during the hours fixed by by-law as aforesaid, provided that no credit balance, or portion thereof, shall be paid until all debit balances have been received by the clearing bank. At Clearing Houses where balances are payable in money they shall be paid in legal tender notes of large denominations.

At Clearing Houses where balances are payable by draft, should any settlement draft given to the clearing bank not be paid on presentation, the clearing bank shall at once notify in writing all the other banks of such default; and the amount of the unpaid draft shall be repaid to the clearing bank by the banks whose clearances were against the defaulting bank on the day the unpaid draft was drawn, in proportion to such balances. The clearing bank shall collect the unpaid draft, and pay the same to the other banks in the above proportion. It is understood that the clearing bank is to be the agent of the associated banks, and to be liable only for moneys actually received by it.

Should any bank make default in paying to the clearing bank its debit balance, within the time fixed by this rule, such debit balance and interest thereon shall then be paid by the bank so in default to the Chairman of the Clearing House for the time being, and such Chairman and his successor in office from time to time shall be a creditor of and entitled to recover the said debit balance, and interest thereon from the defaulting bank. Such balances, when received by the said Chairman or his successor in office, shall be paid by him to the clearing bank for the benefit of the banks entitled thereto.

12. Objections to Statements.—In order that the clearing statements may not be unnecessarily interfered with, it is agreed that a bank objecting to any item delivered to it through the Clearing House, or to any charge against it in the exchanges of the day, shall, before notifying the Clearing House Manager of the objection, apply to the bank interested for payment of the amount of the item or charge objected to, and such amount shall thereupon be immediately paid to the objecting bank. Should such payment not be made the objecting bank may notify the Clearing House Manager of such objection and non-payment, and he shall thereupon deduct the said amount from the settling sheets of the banks concerned, and readjust the clearing statements and declare the correct balances in conformity with the changes so made, provided that such notice shall be given at least half an hour before the earliest hour fixed by by-law, as provided in clause 11, for payment of the balances due to the creditor banks. But notwithstanding that the objecting bank may not have so notified the Clearing House Manager, it shall be the duty under these rules of the bank interested to make such payment on demand therefor being made at any time up to 3 o'clock; provided, however, that if the objection is based on the absence from the deposit of any parcel or of any cheque or other item entered on the deposit slip, notice of such absence shall have been given to the bank interested before 12 o'clock noon, the whole, however, subject to the provisions of Rule No. 2.

13. Items Received in Trust.—All bank notes, cheques, drafts, bills and other items (hereafter referred to as "items") delivered through the Clearing House to a bank in the exchanges of the day, shall be received by such bank as a trustee only, and not as its own property, and shall be held upon the following trust, namely, upon payment by such bank at the proper hour to the clearing bank of the balance (if any) against it, to retain such items freed from said trust; and in default of payment of such balance, to return immediately and before 12.30 p.m., the said items unmarked and unutilated through the Clearing House to the respective banks, and the fact that any item cannot be so returned shall not relieve the bank from the obligation to return the remaining items, including the amount of the bank's own notes so delivered in trust.

Upon such default and return of said items, each of the other banks shall immediately return all items which may have been

received from the bank so in default, or pay the amount thereof to the defaulting bank through the Clearing House. The items returned by the bank in default shall remain the property of the respective banks from which they were received, and the Clearing House Manager shall adjust the settlement of balances anew.

A bank receiving through the Clearing House such items as aforesaid, shall be responsible for the proper carrying out of the trust upon which the same are received as aforesaid, and shall make good to the other banks respectively all loss and damage which may be suffered by the default in carrying out such trust.

14. Provision for Default.—In the event of any bank receiving exchanges through the Clearing House making default in payment of its debit balance (if any) then in lieu of its returning the items received by it as provided by Rule 13, the Board of Management may require the banks to which the defaulting bank, on an account being taken of the exchanges of the day between it and the other banks, would be a debtor, in proportion to the amounts which, on such accounting, would be respectively due to them, to furnish the Chairman of the Clearing House for the time being with the amount of the balance due by the defaulting bank, and such amount shall be furnished accordingly, and shall be paid by the Chairman to the clearing bank, which shall then pay over to the creditor banks the balances due to them in accordance with Rule 11. The said funds for the Chairman shall be furnished by being deposited in the clearing bank for the purpose aforesaid. The defaulting bank shall repay to the Chairman for the time being, or to his successor in office, the amount of such debit balance and interest thereon, and the said Chairman, and his successor in office, shall be entitled to recover the same from the defaulting bank. Any moneys so recovered shall be held in trust for and deposited in the clearing bank for the benefit of the banks entitled thereto.

15. Re-adjustment of Balances.—If a bank neglects or refuses to pay its debit balance to the clearing bank, and if such default be made not because of inability to pay, the Board of Management may direct that the exchanges for the day between the defaulting bank and each of the other banks be eliminated from the Clearing House Statements, and that the settlements upon such exchanges be made directly between the banks interested, and not through the Clearing House. Upon such direction being given the Clearing House Manager shall comply therewith and adjust the settlement of balances anew, and the settlements of the exchanges so eliminated shall thereupon be made directly between the banks interested.

16. Suspension of Clearings.—Should any case arise to which, in the opinion of the Board of Management, the foregoing rules are inapplicable, or in which their operation would be inequitable, the Board shall have power at any time to suspend the clearings and settlements of the day; but immediately upon such suspension the Board shall call a meeting of the members of the Clearing House to take such measures as may be necessary.

17. By-laws.—Every Clearing House now existing, or that may hereafter be established, may enact by-laws, rules and regulations for the government of its members, not inconsistent with these rules, and may fix therein among other things:—

1. The name of the Clearing House;
2. The number of members of the Board of Management and the quorum thereof;
3. The date, time and place for the Annual Meeting;

4. The mode of providing for the expenses of the Clearing House;
5. The hours for making exchanges, and for payment of the balances to or by the clearing bank;
6. The mode or medium in which balances are to be paid.

Any by-law, rule, or regulation passed or adopted under this clause may be amended at any meeting of the members, provided that not less than two weeks' notice of such meeting, and of the proposed amendments, has been given.

NOTICES.

17. How to be given.—Any notice of meeting or any other notice authorized or required to be given to any member of the association shall be deemed sufficiently given, if sent through the post office in a prepaid letter or by hand to the head office of any such member, addressed to such member or to the general manager, or cashier of such member, and in the case of the Bank of British North America through its chief office in the city of Montreal, addressed to it or to its general manager; and any notice sent by post shall be deemed to have been given on the day following that on which the same was mailed, and in proving the giving of such notice, it shall be sufficient to prove that the letter was properly prepaid, addressed and mailed.

Any notice authorized or required to be given to any member of the executive council may be sent by the secretary-treasurer by hand, or through the post office, or by telegraph, or in any other manner which the said council may prescribe.

Any notice authorized or required to be given to any associate as such shall be sufficiently given, if given by advertisement once in a newspaper in the cities of Montreal and Toronto.

18. Definitions.—In the foregoing by-laws, unless there be something in the subject or context inconsistent therewith, the words:

“The association” shall mean “the Canadian Bankers’ Association” incorporated by special Act of the Parliament of Canada (63 and 64 Vict. chap. 93).

“The executive council,” or “the council” shall mean “the executive council of the Canadian Bankers’ Association.”

BY-LAWS

Respecting Central Gold Reserves.

Assented to by Dominion Treasury Board,
5th September, 1913.

By-laws, Rules and Regulations.—By-laws, rules and regulations made for the purposes of Section 61 of The Bank Act by the Canadian Bankers' Association at a meeting thereof duly convened in the City of Toronto on the 26th day of August, 1913.

Whereas the said Association has, with the approval of the Minister of Finance, appointed the Bank of Montreal, the Canadian Bank of Commerce and the Royal Bank of Canada to be the three trustees appointed by the Association under Sub-section 4 of Section 61 of the Bank Act;

And whereas the Minister of Finance has under said Sub-section appointed the Royal Trust Company to be the fourth trustee;

The said Association therefore makes and enacts by-laws, rules and regulations as follows:—

1. In these by-laws, rules, and regulations, unless the context otherwise requires, "Act" means "the Bank Act" and "section" means a section of the Bank Act.
2. Each of the said trustees, by resolution of its board of directors, shall select and nominate one of its officers, clerks or servants as its representative in all transactions and matters required to be carried on or performed by a trustee under said section and Act, and the person so selected and nominated shall, on behalf of the trustee, his principal, do and perform each and all of the duties which his principal, for the purposes of the said Act, is required to do or perform.
3. Each of the said boards of directors shall also select and nominate two others of its officers, clerks, or servants, either one of whom may be a substitute for the person selected and nominated under clause No. 2 next preceding; and either one of such substitutes, on the direction of the general manager of the bank or on the direction of such other manager or officer of the bank as the directors of the bank may select or on the direction of the manager of the fourth trustee, respectively, shall, in the absence through illness or other cause of the person so nominated, do and perform the duties of such person when absent.
4. Each trustee shall be responsible for any and all loss or damage to or shortage in the central gold reserves occasioned by or in consequence of any act or omission of its appointee, whether such appointee was acting alone or in conjunction with one or others, or whether he alone, or one or others with him, fails to act; and in case of dispute between the trustees as to their respective individual liability for any such loss, damage or shortage, the responsibility for any loss or damage to or shortage

in the central gold reserves shall be determined by inquiry made under the provisions of "The Inquiries Act," and if the Commissioner or Commissioners appointed under the said Act are unable after inquiry to report who of such representatives occasioned by his or their act or omission such loss, damage, or shortage, then in such case the trustees shall be jointly and severally liable to pay the amount thereof to the said Association for the purposes of the central gold reserves.

5. The gold coin and Dominion notes held in the central gold reserves shall be placed for safe-keeping and kept, under the provisions of the Bank Act, in vaults of the Royal Trust Company, one of the trustees, in that Company's building in St. James Street in the City of Montreal.

6. The vaults set aside for the safe-keeping of the central gold reserves shall remain in the exclusive possession of the trustees.

7. Two of the trustees shall jointly control by combination locks the door or doors by which entrance to the said vaults is obtained, and the other two trustees shall jointly control by combination locks the safes or compartments in the said vaults in which the said gold coin and Dominion notes deposited are stored.

8. Each representative of the three trustees appointed by the Association, after he has set his combination, and the representative of the fourth trustee, after he has set his combination, shall by writing, signed by him, state what his combination numbers are, and having sealed the writing with his seal shall deliver the same to the general manager of the bank he represents (or such other manager or officer of the bank as the directors of that bank may select) and to the manager of the fourth trustee, respectively, and in each case such sealed writing shall not be opened except in the event of emergency, and the combination after such writing has been opened shall be changed.

9. At least two special and trustworthy police officers or guards shall be employed by the trustees, who shall be on duty, for the protection of the gold coin and Dominion notes in the possession of the trustees, each day during business hours and so long as the vaults of the trustees are unlocked, and the trustees shall take such other precautions for the safety of the reserves as they may deem expedient.

10. All deposits with the trustees shall be by the delivery of current gold coin not below the least current weight, or Dominion notes at and in offices or rooms which communicate directly with the said vaults and which are in the exclusive possession of the trustees, and such deposits shall be in sums of \$5,000 each or £1,000 each, or multiples thereof.

11. The gold coin so held shall be placed in canvas bags or bags of other suitable material, each bag containing five thousand dollars Canadian gold coin or five thousand dollars United States gold coin or one thousand pounds of British gold coin, and each bag shall be tagged with the weight of its contents, the date of receipt and the name of the bank from which it was received. The trustees shall provide suitable scales for weighing the gold coin.

12. No bank shall receive by way of withdrawal an amount of gold coin in excess of the gold coin deposited by it, nor an amount of Dominion notes in excess of the Dominion notes deposited by it, and deposits shall not be transferable.

13. The application by a bank to the trustees for a withdrawal of the whole or any part of the bank's deposit in the central gold reserves shall be for a sum not less than \$50,000 or £10,000 as the case may be and shall be, as nearly as may be, in the form following:

“(Name of Bank)

“(Place and Date)

“The undersigned,..... Chief Accountant (or Acting Chief Accountant, as the case may be), and..... General Manager (or other principal officer next in authority in the management of the affairs of the bank at the time at which the application is made, as the case may be), hereby, on behalf of the Bank of..... make application, under subsection 6 of section 61 of the Bank Act, for the return to the bank, out of its deposit in the central gold reserves, of the sum of.....dollar (\$.....) or the sum of.....pounds (£.....).

“The paid-up capital of the Bank is.....dollars (\$.....) and to the best of the information and belief of the undersigned officers of the Bank the amount of the notes of the Bank in circulation at the date of this application is.....dollars (\$.....).

“Dated at.....this.....day of.....191....

“(Signed)

“Chief Accountant

(or Acting Chief Accountant, as the case may be)

“(Signed)

“General Manager

(or other principal officer, as the case may be).”

14. If the statement as above set forth is transmitted by post, the date appearing by the post office stamp or mark upon the envelope or wrapper enclosing the statement shall be deemed to be the date when such statement is transmitted.

15. Deposits and withdrawals shall be made between the hours of three and four o'clock p.m. on any day of the week on which the banks are open for business except Saturday, and notice in writing by the bank or its agent of intention to deposit or withdraw shall be given to the trustee appointed by the Minister of Finance twenty-four hours before the actual deposit or withdrawal. In the case of a bank with its chief office outside of the city of Montreal the notice required by this Clause need not be in the form prescribed by Clause 13, but the application prescribed by Clause 13 shall have been placed in the post for transmission before the notice of intention contemplated by this Clause has been given, and the notice of intention to withdraw contemplated by this Clause shall state that the application under Clause 13 has been placed in the post for transmission to the trustees.

16. The trustees shall keep books of account, in which shall be entered a record of all transactions of deposits in and withdrawals from the central gold reserves, and all documents, accounts and vouchers of the trustees shall be so docketed and kept as to facilitate the trustees in the performance of their duties and the several banks in carrying out their transactions with the trustees.

17. The trustees, in addition to the respective representatives nominated as aforesaid, may employ such accountants and other clerks as may be by them considered necessary for the perform-

ance of the clerical duties of the trustees under the Act and under these by-laws, rules and regulations.

18. The remuneration of each of the three trustees appointed by the Association and of the trustee appointed by the Minister of Finance shall be ten dollars for each attendance.

19. All remuneration as aforesaid, salaries of accountants and other employees, if any, rentals and all other charges and expenses incidental to the establishment and maintenance of the central gold reserves shall be borne as follows:

Each bank carrying on the business of banking under the Act and issuing its notes shall contribute to the Association, as its part of the yearly remuneration, salaries, wages, charges and expenses aforesaid, (a) the sum of two hundred and fifty dollars at the beginning of each calendar year; (b) at the end of the calendar year a sum sufficient to cover its proportionate part of the balance required, based upon the average amount per month during the year the bank has had on deposit in the central gold reserves as compared with the total average deposit per month during the year which all the banks have had in the said reserves. For the purposes of this clause the maximum amount a bank has had on deposit in any month shall be used in ascertaining the respective average amounts; and such maximum amount shall include gold coin and/or Dominion notes not actually removed from the physical custody of the trustees, but in respect of which application for withdrawal by statement under Sub-section 6 of Section 64 has been transmitted or delivered to the trustees.

20. Nothing in the next preceding Clause shall be construed as compelling the trustees to retain the physical custody for a bank of any part of its deposit in respect of which application for withdrawal by statement as aforesaid has been transmitted or delivered to the trustees, and any such retention shall be wholly at the option of the trustees.

21. The Association may, in anticipation of the payment to be made by the banks, borrow and pay current interest rates on any moneys required to pay the remuneration, salaries, wages, charges and expenses aforesaid as the same becomes payable, and interest on the money borrowed shall be deemed to be part of the expenses aforesaid.

22. Any action by the trustees necessary for the performance of their duties not merely clerical or routine, which is not specifically provided for by these by-laws, rules and regulations or otherwise authorized, may be done or performed by the unanimous consent of the trustees, who shall forthwith report their action to the Association and to the Treasury Board.

23. Pending the completion of the vaults in the building of the Royal Trust Company on St. James Street aforesaid, and up to a date not later than May first, 1914, Clauses 5, 6, 7, 8 and 9 of these By-Laws, rules and regulations shall not apply or be in force or effect. In the meantime, the trustees shall make such provisions and take such precautions for the safe-keeping of the deposits in their possession as they in their discretion may deem advisable and necessary.

24. The President of the Association shall be entitled at any time to require from the trustees any return he may desire for the purposes of the Council of the Association, and it shall be the duty of the said trustees to forthwith furnish the same to him.

Appendix Containing Certain Sections from the Criminal Code.

2. In the Criminal Code, RSC. chap. 146, unless the context otherwise requires :

(3) "Banker" includes any director of any incorporated bank or banking company ;

(4) "Bank-note" includes all negotiable instruments issued by or on behalf of any person, body corporate, or company carrying on the business of banking in any part of the world, or issued by the authority of the Parliament of Canada, or any governor or other authority lawfully authorized thereto in any of His Majesty's dominions, or by the authority of any foreign prince, or state, or government, and intended to be used as equivalent to money, either immediately upon their issue or at some time subsequent thereto, and all bank bills and bank post bills ;

(8) "Copper coin" includes any coin of bronze or mixed metal and every other kind of coin other than gold or silver :

(11) "Document of title to goods" includes any bill of lading, India warrant, dock warrant, warehouse-keeper's certificate, warrant or order for the delivery or transfer of any goods or valuable thing, bought and sold note, or any other document used in the ordinary course of business as proof of the possession or control of goods, authorizing or purporting to authorize, either by endorsement or by delivery, the possessor of such document to transfer or receive any goods thereby represented or therein mentioned or referred to ;

(12) "Document of title to lands" includes any deed, map, paper or parchment, written or printed, or partly written and partly printed, being or containing evidence of the title, or any part of the title, to any real property, or to any interest in any real property, or any notarial or registrar's copy thereof, or any duplicate instrument, memorial, certificate or document authorized or required by any law in force in any part of Canada respecting registration of titles, and relating to such title :

(13) "Every one," "person," "owner" and other expressions of the same kind include His Majesty and all public bodies, bodies corporate, societies, companies and inhabitants of counties, parishes, municipalities or other districts in relation to

such acts and things as they are capable of doing and owning respectively :

(39) "Trustee" means a trustee on some express trust created by some deed, will or instrument in writing, or by parole or otherwise, and includes the heir or personal representative of any such trustee, and every other person upon or to whom the duty of such trust has devolved or come, whether by appointment of a court or otherwise, and also an executor or administrator, and an official manager, assignee, liquidator or other like officer acting under any Act relating to joint stock companies, bankruptcy or insolvency, and any person who is, by the law of the Province of Quebec, an *administrateur*, or *fideicommissaire* ; and "trust" includes whatever is by that law an *administration* or *fideicommis* ;

(40) "Valuable security" includes any order, exchequer acquittance or other security entitling or evidencing the title of any person to any share or interest in any public stock or fund, whether of Canada or of any province thereof, or of the United Kingdom, or of Great Britain or Ireland, or of any British colony or possession, or of any foreign state, or in any fund of any body corporate, company or society, whether within Canada or the United Kingdom, or any British Colony or possession, or in any foreign state or country, or to any deposit in any savings bank or other bank, and also includes any debenture, deed, bond, bill, note, warrant, order or other security for money or for payment of money, whether of Canada or of any province thereof, or of the United Kingdom, or of any British colony or possession, or of any foreign state, and any document of title to lands or goods wheresoever such lands or goods are situate, and any stamp or writing which secures or evidences title to or interest in any chattel personal or any release, receipt, discharge or other instrument evidencing payment of money, or the delivery of any chattel personal ;

(42) "Writing" includes any mode in which, and any material on which, words or figures, whether at length or abridged, are written, printed or otherwise expressed or any map or plan is inscribed.

4. Valuable security shall, where value is material, be deemed to be of value equal to that of the unsatisfied money, chattel personal, share, interest or deposit, for the securing or payment of which, or delivery or transfer or sale of which, or for the entitling or evidencing title to which, such valuable security is applicable or to that of such money or chattel personal, the payment or delivery of which is evidenced by such valuable security.

355. Everyone commits theft who, having received any money or valuable security or other thing whatsoever, on terms requiring

him to account for or pay the same, or the proceeds thereof, or any part of such proceeds, to any other person, through not requiring him to deliver over in specie the identical money, valuable security or other thing received, fraudulently converts the same to his own use, or fraudulently omits to account for or pay the same or any part thereof, or to account for or pay such proceeds or any part thereof, which he was required to account for or pay as aforesaid.

356. Every one commits theft who, being entrusted, either solely or jointly with any other person, with any power of attorney for the sale, mortgage, pledge or other disposition of any property, real or personal, whether capable of being stolen or not, fraudulently sells, mortgages, pledges or otherwise disposes of the same or any part thereof, or fraudulently converts the proceeds of any sale, mortgage, pledge or other disposition of such property, or any part of such proceeds, to some purpose other than that for which he was entrusted with such power of attorney.

359. Every one is guilty of an indictable offence and liable to fourteen years' imprisonment who,—

(a) being a clerk or servant, or being employed for the purpose or in the capacity of a clerk or servant, steals anything belonging to or in the possession of his master or employer; or,

(b) being a cashier, assistant cashier, manager, officer, clerk or servant of any bank, or savings bank, steals any bond, obligation, bill obligatory or of credit, or other bill or note, or any security for money, or any money or effects of such bank, or lodged or deposited with any such bank; or,

(c) being employed in the service of His Majesty, or of the Government of Canada or the government of any province of Canada, or of any municipality, steals anything in his possession by virtue of his employment.

425. Every one is guilty of an indictable offence and liable to three years' imprisonment, who,—

(a) being the keeper of any warehouse, or a forwarder, miller, master of a vessel, wharfinger, keeper of a cove, yard, harbour or other place for storing timber, deals, staves, boards, or lumber, curer or packer of pork, or dealer in wool, carrier, factor, agent or other person, or a clerk or other person in his employ, knowingly and wilfully gives to any person a writing purporting to be a receipt for, or an acknowledgement of, any goods or other property as having been received into his warehouse, vessel, cove, wharf or other place, or in any such place about which he is employed, or in any other manner received by him, or by the person in or about whose business he is employed, before the goods or other property named in such receipt, acknowledgement or writing have been act-

ually delivered to or received by him as aforesaid, with intent to mislead, deceive, injure or defraud any person, although such person is then unknown to him; or

(b) knowingly and wilfully accepts, transmits or uses any such false receipt or acknowledgement or writing.

426. Every one is guilty of an indictable offence and liable to three years' imprisonment, who,—

(a) having, in his name, shipped or delivered to the keeper of any warehouse, or to any other factor, agent or carrier, to be shipped or carried, any merchandise upon which the consignee has advanced any money or given any valuable security, afterwards, with intent to deceive, defraud or injure such consignee, in violation of good faith, and without the consent of such consignee, makes any disposition of such merchandise different from and inconsistent with the agreement made in that behalf between him and such consignee at the time when or before such money was so advanced or such security given; or

(b) knowingly and wilfully aids and assists in making such disposition for the purpose of deceiving, defrauding or injuring such consignee.

No person commits an offence under this section who, before making such disposition of such merchandise, pays or tenders to the consignee the full amount of any advance made thereon.

427. Every one is guilty of an indictable offence and liable to three years' imprisonment, who,—

(a) wilfully makes any false statement in any receipt, certificate or acknowledgement for grain, timber or other goods or property which can be used for any of the purposes mentioned in the Bank Act; or,

(b) having given, or after any clerk or person in his employ has, to his knowledge, given, as having been received by him in any mill, warehouse, vessel, cove or other place, any such receipt, certificate or acknowledgement for any such grain, timber or other goods or property, or having obtained any such receipt, certificate or acknowledgement, and after having endorsed or assigned it to any bank or person, afterwards, and without the consent of the holder or endorsee in writing, or the production and delivery of the receipt, certificate or acknowledgement, wilfully alienates or parts with, or does not deliver to such holder or owner of such receipt, certificate or acknowledgement, the grain, timber, goods or other property therein mentioned.

466. Forgery is the making of a false document, knowing it to be false, with the intention that it shall in any way be used or acted upon as genuine, to the prejudice of any one, whether within Canada or not, or that some person should be induced by the belief that it is genuine to do or refrain from doing anything, whether within Canada or not.

(2) Making a false document includes altering a genuine document in any material part, or making any material addition to it or adding to it any false date, attestation, seal or other thing which is material, or making any material alteration in it, either by erasure, obliteration, removal or otherwise.

(3) Forgery is complete as soon as the document is made with such knowledge and intent as aforesaid, though the offender may not have intended that any particular person should use or act upon it as genuine, or be induced, by the belief that it is genuine, to do or refrain from doing anything.

(4) Forgery is complete although the false document may be incomplete, or may not purport to be such a document as would be binding in law, if it be so made and is such as to indicate that it was intended to be acted on as genuine.

471. Every one is guilty of an indictable offence and liable to fourteen years' imprisonment who, without lawful authority or excuse, the proof whereof shall lie on him,—

(a) makes, begins to make, uses or knowingly has in his possession, any machinery or instrument or material for making exchequer bill paper, revenue paper or paper intended to resemble the bill paper of any firm or body corporate, or person carrying on the business of banking; or,

(b) engraves or makes upon any plate or material anything purporting to be, or apparently intended to resemble, the whole or any part of any exchequer bill or bank note; or,

(c) uses any such plate or material for printing any part of any such exchequer bill or bank note; or,

(d) knowingly has in his possession any such plate or material as aforesaid; or,

(e) makes, uses, or knowingly has in his possession any exchequer bill paper, revenue paper, or any paper intended to resemble any bill paper of any firm, body corporate, company or person, carrying on the business of banking, or any paper upon which is written or printed the whole or any part of any exchequer bill, or any bank note; or,

(f) engraves or makes upon any plate or material anything intended to resemble the whole or any distinguishing part of any bond or undertaking for the payment of money used by any dominion, colony or possession of His Majesty, or by any foreign prince or state, or by any body corporate, or other body of the like nature, whether within His Majesty's dominions or without; or,

(g) uses any such plate or other material for printing the whole or any part of such bond or undertaking; or,

(h) knowingly offers, disposes of or has in his possession any paper upon which such bond or undertaking, or any part thereof, has been printed.

546. In this Part, unless the context otherwise requires,—

(a) "current gold or silver coin" includes any gold or silver coin of any of His Majesty's mints, or gold or silver coin of any foreign prince or state or country, or other gold or silver coin lawfully current, by virtue of any proclamation or otherwise, in any part of His Majesty's dominions;

(b) "current copper coin" includes copper coin coined in any of His Majesty's mints, or lawfully current, by virtue of any proclamation or otherwise, in any part of His Majesty's dominions;

(c) "counterfeit" means false, not genuine;

(d) "gild" and "silver" applied to coin, include casing with gold or silver respectively, and washing and coloring by any means whatsoever with any wash or materials capable of producing the appearance of gold or silver respectively;

(e) "utter" includes "tender" and "put off";

(f) "counterfeit token of value" means any spurious or counterfeit coin, paper money, inland revenue stamp, postage stamp, or other evidence of value, by whatever technical, trivial or deceptive designation the same may be described, and includes also any coin or paper money which although genuine has no value as money.

548. Every offence of making any counterfeit coin, or of buying, selling, receiving, paying, tendering, uttering or putting off, or of offering to buy, sell, receive, pay, utter or put off, any counterfeit coin is deemed to be complete, although the coin so made or counterfeited or bought, sold, received, paid, tendered, uttered or put off, or offered to be bought, sold, received, paid, tendered, uttered or put off, was not in a fit state to be uttered, or the counterfeiting thereof was not finished or perfected.

549. In the case of coin or paper money which, although genuine, has no value as money, it is necessary in order to constitute an

offence under this Part that there should be knowledge on the part of the person charged that such coin or paper money was of no value as money, and a fraudulent intent on his part in his dealings with or with respect to the same.

550. Every one is guilty of an indictable offence and liable to fourteen years' imprisonment who, without lawful authority or excuse, the proof whereof shall lie on him, purchases or receives from any person, or has in his custody or possession, any forged bank note, or forged blank bank note, whether complete or not, knowing it to be forged.

551. Every one is guilty of an offence and liable, on summary conviction before two justices, to a fine of one hundred dollars or three months' imprisonment, or both, who designs, engraves, prints or in any manner makes, executes, utters, issues, distributes, circulates or uses any business or professional card, notice, placard, circular, hand-bill or advertisement in the likeness or similitude of any bank note, or any obligation or security of the Government or any bank.

552. Every one is guilty of an indictable offence and liable to imprisonment for life who,—

(a) makes or begins to make any counterfeit coin resembling, or apparently intended to resemble or pass for, any current gold or silver coin; or,

(b) gilds or silvers any coin resembling or apparently intended to resemble or pass for any current gold or silver coin; or,

(c) gilds or silvers any piece of silver or copper, or of coarse gold or coarse silver, or of any metal or mixture of metals respectively, being of a fit size and figure to be coined, and with intent that the same shall be coined into counterfeit coin resembling, or apparently intended to resemble or pass for, any current gold or silver coin; or,

(d) gilds any current silver coin, or files or in any manner alters such coin, with intent to make the same resemble or pass for any current gold coin; or,

(e) gilds or silvers any current copper coin, or files or in any manner alters such coin, with intent to make the same resemble or pass for any current gold or silver coin.

553. Every one is guilty of an indictable offence and liable to imprisonment for life who, without lawful authority or excuse, the proof whereof shall lie on him,—

(a) buys, sells, receives, pays or puts off, or offers to buy, sell, receive, pay or put off, at or for a lower rate or value than the

same imports, or was apparently intended to import, any counterfeit coin resembling or apparently intended to resemble or pass for any current gold or silver coin ; or,

(b) imports or receives into Canada any counterfeit coin resembling or apparently intended to resemble or pass for any current gold or silver coin knowing the same to be counterfeit.

554. Every one who manufactures in Canada any copper coin, or imports into Canada any copper coin, other than current copper coin, with the intention of putting the same into circulation as current copper coin, is guilty of an offence and liable, on summary conviction, to a penalty not exceeding twenty dollars for every pound troy weight thereof ; and all such copper coin so manufactured or imported shall be forfeited to His Majesty.

555. Every one is guilty of an indictable offence and liable to two years' imprisonment who, without lawful authority or excuse the proof whereof shall lie on him, exports or puts on board any ship, vessel or boat, or on any railway or carriage or vehicle of any description whatsoever, for the purpose of being exported from Canada, any counterfeit coin resembling or apparently intended to resemble or pass for any current coin or for any foreign coin of any prince, country or state, knowing the same to be counterfeit.

556. Every one is guilty of an indictable offence and liable to imprisonment for life who, without lawful authority or excuse the proof whereof shall lie on him, makes or mends or begins or proceeds to make or mend, or buys or sells, or has in his custody or possession,—

(a) any puncheon, counter puncheon, matrix, stamp, die, pattern or mould, in or upon which there is made or impressed or which will make or impress, or which is adapted and intended to make or impress, the figure, stamp or apparent resemblance of both or either of the sides of any current gold or silver coin, or of any coin of any foreign prince, state or country, or any part or parts of both or either of such sides ; or,

(b) any edger, edging or other tool, collar, instrument or engine adapted and intended for the marking of coin round the edges with letters, grainings, or other marks or figures apparently resembling those on the edges of any such coin, knowing the same to be so adapted and intended ; or,

(c) any press for coinage, or any cutting engine for cutting by force of a screw or of any other contrivance, round blanks out of gold, silver or other metal or mixture of metals, or any other machine, knowing such press to be a press for coinage, or knowing such engine or machine to have been used or to be intended to be used for or in order to the false making or counterfeiting of any such coin.

558. Every one is guilty of an indictable offence and liable to fourteen years' imprisonment who impairs, diminishes or lightens any current gold or silver coin, with intent that the coin so impaired, diminished or lightened may pass for current gold or silver coin.

559. Every one is guilty of an indictable offence and liable to one years' imprisonment who defaces any current gold, silver or copper coin by stamping thereon any names or words, whether such coin is or is not thereby diminished or lightened, and afterwards tenders the same.

560. Every one is guilty of an indictable offence and liable to seven years' imprisonment who unlawfully has in his custody or possession any filings or clippings, or any gold or silver bullion, or any gold or silver in dust, solution or otherwise, which have been produced or obtained by impairing, diminishing or lightening any current gold or silver coin, knowing the same to have been so produced or obtained.

561. Every one is guilty of an indictable offence and liable to three years' imprisonment who has in his custody or possession, knowing the same to be counterfeit, and with intent to utter the same or any of them,—

(a) Any counterfeit coin resembling or apparently intended to resemble, or pass for, any current gold or silver coin; or,

(b) three or more pieces of counterfeit coin resembling, or apparently intended to resemble or pass for, any current copper coin.

562. Every one is guilty of an indictable offence and liable to three years' imprisonment who,—

(a) makes, or begins to make, any counterfeit coin resembling, or apparently intended to resemble or pass for, any current copper coin; or,

(b) without lawful authority or excuse, the proof of which shall lie on him, knowingly

(i) makes or mends, or begins or proceeds to make or mend, or buys or sells, or has in his custody or possession, any instrument, tool or engine adapted and intended for counterfeiting any current copper coin;

(ii) buys, sells, receives, pays or puts off, or offers to buy, sell, receive, pay or put off, any counterfeit coin resembling, or apparently intended to resemble or pass for, any current copper coin, at or for a lower rate of value than the same imports or was apparently intended to import.

563. Every one is guilty of an indictable offence and liable to three years' imprisonment who,—

(a) makes, or begins to make, any counterfeit coin or silver coin resembling, or apparently intended to resemble or pass for, any gold or silver coin of any foreign prince, state or country, not being current coin; or,

(b) without lawful authority or excuse, the proof of which shall lie on him,—

(i) brings into or receives in Canada any such counterfeit coin, knowing the same to be counterfeit;

(ii) has in his custody or possession any such counterfeit coin, knowing the same to be counterfeit, and with intent to put off the same; or,

(c) utters any such counterfeit coin; or,

(d) makes any counterfeit coin resembling, or apparently intended to resemble or pass for, any copper coin of any foreign prince, state or country, not being current coin.

564. Every one is guilty of an indictable offence and liable to fourteen years' imprisonment who utters any counterfeit coin resembling, or apparently intended to resemble or pass for, any current gold or silver coin, knowing the same to be counterfeit.

565. Every one is guilty of an indictable offence and liable to three years' imprisonment who,—

(a) utters, as being current, any gold or silver coin of less than its lawful weight, knowing such coin to have been impaired, diminished or lightened, otherwise than by lawful wear; or,

(b) with intent to defraud utters, as or for any current gold or silver coin, any coin not being such current gold or silver coin, or any medal, or piece of metal or mixed metals, resembling, in size, figure and color, the current coin, as or for which the same is so uttered, such coin, medal or piece of metal or mixed metals so uttered being of less value than the current coin as or for which the same is so uttered; or,

(c) utters any counterfeit coin resembling or apparently intended to resemble or pass for any current copper coin, knowing the same to be counterfeit.

566. Every one who utters any coin defaced by having stamped thereon any names or words is guilty of an offence, and liable, on summary conviction before two justices, to a penalty not exceeding ten dollars.

567. Every one who utters, or offers in payment, any copper coin, other than current copper coin, is guilty of an offence and liable, on summary conviction, to a penalty of double the nominal value thereof, and in default of payment of such penalty to eight days' imprisonment.

568. Every one who, after a previous conviction for any offence relating to the coin under this or any other Act, is convicted of any offence specified in this Part is liable,—

(a) to imprisonment for life, if fourteen years is the longest term of imprisonment to which he would have been liable had he not been so previously convicted;

(b) to fourteen years' imprisonment, if seven years is the longest term of imprisonment to which he would have been liable had he not been so previously convicted;

(c) to seven years' imprisonment, if he would not have been liable to seven years' imprisonment had he not been so previously convicted.

569. Every one is guilty of an indictable offence and liable to five years' imprisonment who,—

(a) prints, writes, utters, publishes, sells, lends, gives away, circulates or distributes any letter, writing, circular, paper, pamphlet, handbill or any written or printed matter, advertising, or offering or purporting to advertise or offer for sale, loan, exchange, gift or distribution, or to furnish, procure or distribute, any counterfeit token of value, or what purports to be a counterfeit token of value, or giving or purporting to give, either directly or indirectly, information where, how, of whom or by what means any counterfeit token of value, or what purports to be a counterfeit token of value, may be procured or had; or,

(b) in executing, operating, promoting or carrying on any scheme or device to defraud, by the use or by means of any papers, writings, letters, circulars or written or printed matters concerning the offering for sale, loan, gift, distribution or exchange of counterfeit tokens of value, uses any fictitious, false or assumed name or address, or any name or address other than his own right, proper or lawful name; or,

(c) in the execution, operating, promoting or carrying on, of any scheme or device offering for sale, loan, gift, or distribution, or purporting to offer for sale, loan, gift or distribution or giving or purporting to give information, directly or indirectly, where, how, of whom or by what means any counterfeit token of value may be obtained or had, knowingly receives or takes from the mails, or from the post office, any letter or package addressed to any fictitious, false or assumed name or address, or name other than his own right, proper or lawful name; or,

(d) purchases, exchanges, accepts, takes possession of or in any way uses, or offers to purchase, exchange, accept, take possession of or in any way use, or negotiates or offers to negotiate with a view to purchasing or obtaining or using any such counterfeit token of value, or what purports so to be.

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